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Daily Report
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FBIS-SOV-95-171 *5 September 1995*

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Negotiations in Groznyy

Delegation Protests Shelling of Groznyy Positions

LD0409091495 Moscow ITAR-TASS World Service in Russian 0805 GMT 4 Sep 95

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 4 Sep (ITAR-TASS) — At today's meeting of the special supervisory commission in Groznyy, the Russian side protested to the Chechen side about ongoing night shelling of the federal forces and the mining of roads. An ITAR-TASS correspondent learned at the press service of the command of the federal forces in Chechnya that for the first time in the past few months Russian positions in Groznyy were fired upon last night, not only from small arms and grenade-launchers, but also from mortars. Dudayev's fighters have fired on federal forces subunits on 19 occasions over the past 24 hours. Two Russian troops were killed and five wounded.

A spokesman for the press service said there is still a threat that Dudayev's armed supporters may intensify their activities on the whole territory of the Chechen republic before and on Chechen Independence Day on 6 September. (This day was declared a holiday by Dzhokhar Dudayev after he came to power in 1991.) The federal authorities are undertaking the necessary preventive measures. Security has been tightened at the entrance to Groznyy. Every vehicle is being thoroughly checked at road posts in Groznyy.

Khozh-Akhmed Yarikhanov, head of the Chechen delegation at the talks, told an ITAR-TASS correspondent in Groznyy that the Chechen side "does not plan to carry out any combat operations or terrorist acts on the republic's independence day". He said "provocations might be carried out by forces opposing a peace settlement in Chechnya."

Russians, Chechens To Exchange Prisoners Next Week

LD0209135395 Moscow INTERFAX in English 1303 GMT 2 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 2 (INTERFAX) — A total of 14 Russian soldiers held by illegal armed groups supporting Dzhokhar Dudayev are to be exchanged next week for 145 Chechen militants detained by federal troops during the conflict in Chechnya, Chechen Chief of Staff Aslan Maskhadov and General Pavel Maslov, deputy commander of Russian troops in Chechnya, told a news conference in Groznyy Saturday.

According to Maskhadov, the special commission of observers overseeing the military agreement implementation decided that the prisoners who can be exchanged now must be exchanged "all for all" and that in the future the exchange of prisoners must be unconditional.

Maslov said that the commission granted its mandates Saturday to Khuseyn Khamidov (from the Chechen side) and to Colonel Anatoliy Naumov (from the Russian side) who will be able to work in cooperation with the Russian Interior Ministry on the whole territory of the North Caucasus in order to identify all persons held by the Russian side in detention centers.

"The Chechen side will do similar work in the mountains and in the settlements where illegal armed groups are deployed," said Maslov.

Maslov invited journalists to attend the ceremony of a Chechen armed group handing over its weapons in the Tangi-Chu village (45 kilometers south of Groznyy) on September 3.

Database on POW's, MIA's Made Available

LD0409185895 Moscow INTERFAX in English 1826 GMT 4 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 4 (INTERFAX) — A computer database on about 2,150 Russian servicemen who were killed, wounded, taken prisoner or lost during hostilities in Chechnya was made available to the Russian joint command, Isa Makhashev, Dudayev-appointed co-chairman of the working group searching for POWs and hostages, and to the OSCE [Organization for Security and Cooperation in Europe] mission, Olga Trusevich and Aleksandr Cherkasov, activists of the Memorial human rights center, told journalists in Groznyy.

The data was collected by an observer mission sent by human rights organizations that has been active under Sergei Kovalyov in the Chechen war zone.

The database covers a period from the assault on Groznyy on the night of December 31, 1994 until today. Over 30 sources contributed to it, in particular servicemen, MPs, journalists, mothers of Russian servicemen and Dudayev's supporters as well as official reports.

The Memorial activists believe that there are nearly 200 Russian servicemen taken prisoner according to 5 or 6 sources. If reports from a single source are to be believed, nearly 400 Russian servicemen were taken prisoner by Dudayev's troops.

Over 600 people are listed as missing. Because there are about 450 bodies of dead servicemen in the central hospital of the North Caucasian Military District some of whom have probably been identified, the real number is about 500 MIAs.

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There is reliable data on release concerning about 200 POWs.

Trusevich and Cherkasov admitted that because names were distorted some people may have been listed 2 or 3 times.

According to the Russian joint command, Dudayev's units hold 89 Russian servicemen while 586 are listed as missing.

Lobov: Dudayev 'Will Definitely' Be Arrested

LD0109172695 Moscow INTERFAX in English 1624 GMT 1 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 1 (INTERFAX) — The recently appointed presidential representative to Chechnya, Security Council secretary Oleg Lobov, told a group of journalists Friday that Dzhokhar Dudayev should soon "legalize himself" (meaning that Dudayev should contact the federal authorities himself — IF note).

Asked about Dudayev's future, Lobov said the Russian law-enforcement bodies will definitely arrest him, if only possible, because he is wanted by the police.

If the federal authorities had allowed Dudayev to further run Chechnya, "the after-effects of such connivance would be hard to imagine," he added.

At the same time, "if Dudayev changes his political position, he will be able to do much for Chechnya settlement," Lobov said.

'We Must Help the Suffering Republic'

LD0109204195 Moscow INTERFAX in English 1856 GMT 1 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 1 (INTERFAX) — The recently appointed presidential representative to Chechnya, Security Council secretary Oleg Lobov, has admitted the Soviet power's involvement in repressions and genocide of the Chechen population in 1918, 1925 and 1944. He added the Russian federal authorities were also "partially to blame" for having let Dudayev's regime in Chechnya.

Lobov made this statement at a conference of senior executive officials which he presided over in his new capacity Friday. The conference focused on the situation in Chechnya where Lobov had been recently as head of an expert group.

The Security Council press service told INTERFAX the conference revealed a number of defects in the restoration of constitutional order and Chechnya's socioeconomic infrastructure and outlined steps to correct them.

"We must help the suffering republic to get up on its feet as soon as possible," Lobov said.

Lobov named a number of federal ministers to stay with him in Chechnya, as envisioned by the regulations on his new status recently signed by President Boris Yeltsin.

Seen as 'Guarantor' of Military Accord

LD0509121995 Moscow ITAR-TASS in English 1034 GMT 5 Sep 95

[By Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW, August 5 (ITAR-TASS) — Oleg Lobov's mission in Chechnya in his capacity as the Russian President's plenipotentiary representative in the rebellious republic is necessary to "exercise political pressure to ensure execution of the military agreement," according to Deputy Secretary of the Security Council of the Russian Federation Vladimir Rubanov.

Rubanov said in an interview with ITAR-TASS that Oleg Lobov will act as a guarantor of the fulfilment of the military agreement and "decisively suppress any interpretation of the Agreement which transcends the framework of Russian legislation."

Lobov arrived in Chechnya today on a ten-day mission designed "to set in motion the mechanism of establishing a civilian non-violent power in the republic," Rubanov said.

The most important condition for the achievement of this objective is "preventing a vacuum of power from emerging in the residential centres from which federal troops have already been withdrawn."

Oleg Lobov intends to cooperate with the national revival government, the elders and the territorial offices of the federal bodies of power in the Chechen republic in setting up local bodies of power, "whom the people would respect."

As concerns the date of the election in the Chechnya, "Oleg Lobov shares the approach accepted in world practice, in accordance with which an election campaign cannot be held at gunpoint," Rubanov said.

"For this reason, no elections will be held in Chechnya until the illegal Chechen armed forces are fully disarmed and the federal troops are withdrawn. Judging by all appearances, the Chechen elections will be held not in 1995 but in 1996," Rubanov said.

Lobov is the Russian President's plenipotentiary representative in Chechnya will focus on the solution to social and economic problems and to "overcoming the

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disastrous situation in which the inhabitants of the republic to whom compensation for the loss of housing and property will be paid at a rate not lower than that in Neftegorsk and Budennovsk," Rubanov said.

"Constructive efforts will be the main objective for the Russian President's plenipotentiary representative in Chechnya," Vladimir Rubanov said.

As the First Vice-Premier of the Government of Russia, Oleg Lobov intends to work in Groznyy with his own team made up of Deputy Federal Ministers of the Economy, Social Protection, and Construction, as well as of other officials.

"Lobov is empowered to summon any minister to Chechnya. Not a single decision on overcoming the Chechen crisis will be made without his knowledge," he stressed.

Chechnya's Yarikhanov Seeks International Monitors

LD0509084295 Moscow ITAR-TASS in English 0741 GMT 5 Sep 95

[By Sharip Asuyev]

[FBIS Transcribed Text] Groznyy, September 5 (ITAR-TASS) — Khozh-Akhmed Yarikhanov, Chief Chechen negotiator at the talks here, on Tuesday called for an increase in the number of representatives from international organisations in Chechnya to monitor the peace process.

In an interview with ITAR-TASS, Yarikhanov explained the move by pleading "the inclination of the Russian side to a departure from the military agreement". He pointed out that in the light of the "insufficient" resultativeness of the OSCE [Organization for Security and Cooperation in Europe] Assistance Group in Chechnya, a greater presence of observers "will prevent a resumption of active combat operations".

Meanwhile, according to reports by the Press Centre of the Federal Group, militants are stepping up unprovoked attacks on servicemen. Over the past 24 hours, they fired on the positions of troops 14 times. In seven cases, units in Groznyy were fired upon. Federal forces in Orekhovaya and Bamut villages, 45 km southwest of Groznyy, are being fired upon most intensively. According to operational data, three military men were wounded but no one was killed.

Chechnya's Imayev Meets Romanov in Groznyy

LD0109172295 Moscow INTERFAX in English 1627 GMT 1 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 1 (INTERFAX) — The former head of the Chechen delegation to the peace talks in Groznyy, Usman Imayev, met the commander of Russian troops in Chechnya, Lieutenant General Anatoliy Romanov, and the assistant head of Russian civil administration in Chechnya, Vladimir Zorin, in Groznyy Friday, a well-informed source told INTERFAX.

According to the source, the meeting focused on arms handover in the village of Kulary located about 30 kilometers to the west from Groznyy.

The source said "the meeting could also discuss the situation at the talks on the package of political issues following the August 31 statement by the present head of the pro-Dudayev delegation, Khozh-Akhmed Yarikhanov."

Yarikhanov had said that the Russian side "totally neglected the agreement on the package of military issues."

Reportage on Voluntary Weapons Surrender in Chechnya

Groznyy Deadline Extended to 5 Sep

LD0109223995 Moscow Russian Public Television First Channel Network in Russian 2055 GMT 1 Sep 95

[From the "Novosti" newscast]

[FBIS Translated Text] The voluntary surrender of weapons should have begun in Groznyy on 1 September. It has been decided that it will be extended to 5 September and when this date expires, weapons will be confiscated by force. This was said by the commandant of the Chechen Republic General Baskhayev [name and title as heard]. He said, however, that there would not be massive searches in the town after 5 September. Weapons will be confiscated from those people in the streets of Groznyy who do not have the right to carry them.

Maslov Calls Process 'Nonstarter'

LD0209122695 Moscow ITAR-TASS World Service in Russian 1118 GMT 2 Sep 95

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Excerpt] Groznyy, 2 Sep (ITAR-TASS) — Major General Pavel Maslov, deputy commander of the joint group of federal forces in Chechnya,

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said the disarmament process that began in Groznyy on Friday is a "nonstarter." At a short news conference held after today's meeting of the special supervisory commission, he said the reluctance of the inhabitants of Groznyy to voluntarily surrender weapons is due to teething troubles with the disarmament mechanism and possibly due to people's fear.

Aslan Maskhadov, special supervisory commission cochairman, who took part in the news conference, said representatives of the Chechen side have been sent to all the commandant's offices where the disarmament is to take place. This, in his view, should step up the disarmament process in the Chechen capital.

Journalists were also told that special supervisory commission members will go on 3 September to the village of Tangi-Chu, where the further practical implementation of the agreed mechanism of disarmament in the countryside will continue. [passage omitted]

Pavel Maslov and Aslan Maskhadov agreed that the special supervisory commission's daily work has put the implementation of the agreement on the package of military issues "on a practical footing."

Federal Forces Disarm Pervomayskaya

LD0409185195 Moscow INTERFAX in English 1826 GMT 4 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 4 (INTERFAX) — Residents of the Pervomayskaya village, to the north of Groznyy, were handing over their arms to Russian federal authorities today.

The headquarters of the joint group of federal forces told INTERFAX that the federal command had spent 18.25 million rubles on buying out arms from Pervomayskaya residents. Pervomayskaya residents handed over 28 hand anti-tank grenade launchers, three automatic weapons, two grenades and a rifle.

The federal command did not have enough money to buy out all arms from Pervomayskaya residents and decided to continue the procedure on September 8.

Rebels Fail To Disarm at Tangi-Chu

LD0309171295 Moscow INTERFAX in English 1603 GMT 3 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 3 (INTERFAX) — Russian military commanders in Chechnya have accused the Chechen side of failing to hand over weapons at Tangi-Chu village (45 kilometers south of Groznyy) on Sunday as planned before.

Russian Generals Pavel Maslov and Vladislav Bykovskiy accompanied by a Chechen member of the monitoring commission and an OSCE [Organization for Security and Cooperation in Europe] representative arrived at Tangi-Chu on Sunday, a Russian army source told INTERFAX.

The rebels agreed to hand over 15 automatic guns if they were allowed to set up a 20-member self-defense unit there which, said the source, "would have amounted to an extra five units of firearms being transferred to the villagers."

General Maslov who rejected the offer made an appropriate statement to the OSCE representative and blamed the setback on the rebels. The two sides have now agreed to resume talks in the next four or five days to discuss the technicalities of the handover procedure.

According to the source, the population of Groznyy is not in a hurry to part with their weapons even for money. Only two automatic guns were surrendered there over the past 24 hours which the military say is almost nil.

There was relative calm throughout the republic earlier in the day, Russian commanders said.

Fighters in Shatoy Promise To Disarm

LD0309161195 Moscow Russian Public Television First Channel Network in Russian 1400 GMT 3 Sep 95

[Video report by Nikolay Shebalkov; from the "Novosti" newscast]

[FBIS Translated Text] [Shebalkov] We are flying over Shatoy District in the south of Chechnya, the only district where the illegal armed formations have not yet begun to disarm. Following an agreement with the federal troop command, Aslan Maskhadov, Dudayev's commander in chief, has arrived in Shatoy. The meeting lasted no longer than two hours, enough time, it turned out, to set the place, time, and procedure for the handing in of weapons by the fighters. There are more than enough weapons and fighters.

During the talks, a tank hit a mine on a road on the outskirts of Shatoy. [video shows a tank partly damaged] But they were lucky, none of the crew were hurt. This is the third time in eight days that military vehicles belonging to the federal forces have been blown up by mines. The talks in Shatoy discussed the handing in of armored vehicles, not just of rifles. According to the latest intelligence information, the fighters have in their possession at least 10 tanks and there are armored vehicles and armored personnel carriers. After the talks, there was a meeting with journalists.

[Begin recording] [Unidentified Federal Forces representative] We have been promised that weapons will be

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handed in quickly, we have set the deadline, the exact deadline — by 10 September — for heavy weapons to be handed in.

[Maskhadov] I think that in the presence of the elders they have set out in concrete terms how things are to be done and from the 4 September the practical work will start. [end recording]

[Shebalkov] Nikolay Shebalkov, Rudolf Ushanov, for Russian Public Television. [video shows aerial view from military plane, tanks, and armored personnel carriers]

Chechens Said To Be Returning Russian Arms

MK0209114495 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 2 Sep 95 p 1

[Report by Yuliya Kalinina: "Grachev Pushes Arms Once Again. This Time, Together With Lobov"]

[FBIS Translated Text] The process of surrendering the weapons of illegally armed Chechens began approximately two weeks ago. According to General Romanov, as of today, more than 1,000 pieces have been turned in. In the Russian side's view, the results are unsatisfactory. Oleg Lobov, plenipotentiary representative of the Russian president, thinks that the process is evolving extremely slowly. The Chechens have yet to surrender about 70,000 submachine-guns alone, so at the current pace this would take 30 or so years.

Knowledge of local customs and traditions suggests, however, that the Russian side's pessimism is premature. The Chechens will improve. They will certainly turn in as many weapons as necessary, and even more. Over the past two weeks a mechanism has already been worked out, contacts have been established, the machinery has been set in motion.

The system is extremely simple. Russian servicemen, who have weapons in unmeasured quantities, sell them to the Chechens. This phenomenon is well known. According to information from competent sources, the grenade launcher called a "Mukha" ("Fly") has a price of 75,000 rubles. And when an illegally armed Chechen surrenders such a "fly" to representatives of the Joint Supervising Commission, he is paid about 500,000. Do you see the difference?

So much for the machinery. The most important thing is to find the initial capital, the first 75,000, and then you just buy your "flies" and turn them in.

They say that the process of surrendering weapons is sluggish? Don't worry, it will soon gain momentum — everything is already chugging along perfectly. There is a whole Mafia of arms traders there. Weapons are being bought by both enterprising individuals and rebel detachments. The commandant of a village showed me a room packed with arms ready for surrendering and said that they bought a whole batch of "flies" particularly for this purpose — to earn some money so as to maintain the families of self-defense detachment members. In his words, a T-72 tank has already been offered to them for $2,000, but the Chechens refused to buy it, because the tank had only two rounds. "Let them give at least 500, then we will buy it."

Shirvani Basayev, commandant of Vedeno Rayon, has been complaining for five days already that the commission will not come to pick up the weapons: "We have already collected a very large amount. They should be bought out, after all, people are tired, nervous." And for good reason. They can't wait to return their money so as to invest it once again.

Russian servicemen are not to be swerved from the path they have chosen: Grenade launchers, mines, and munitions are not accounted for in combat conditions. It will be more difficult with automatic rifles and armor, of course, but they, too, can always be "broken," "lost," or "exploded on a mine." Frankly speaking, the servicemen somehow can hardly be reproached for anything — the boys have to make at least a buck or two from this war, haven't they? All the more so because their commanders "break" and "lose" this lethal junk in precisely the same fashion. But why cling to them? We had best renew our stock instead and create new orders for the defense industry.

In short, we have activated yet another perpetual motion machine of "throwing money down the drain" — we will buy weapons from ourselves, allowing both the Chechens and the Russians to make some money, then we will ourselves destroy the weapons and produce new ones to replace what has been destroyed.

The process of surrendering arms will evidently end when the funds allocated by the government for this purpose dry up — otherwise, it will continue forever. Then the most interesting part will begin. Illegally armed Chechens with grenade launchers will be running after Russian representatives, beseeching them to buy weapons they want to surrender voluntarily. The Russian representatives will probably dismiss them, saying: "No, guys, by our estimates you have already turned everything in." We shall thus perfidiously take the Chechens for a ride by leaving them with arms, but without money.

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Grachev 'Not Satisfied' With Accord Implementation

LD0509103395 Moscow INTERFAX in English 0932 GMT 5 Sep 95

[FBIS Transcribed Excerpt] KHABAROVSK, Sept 5 (INTERFAX) — Russian Defense Minister Pavel Grachev is not satisfied with the current situation in Chechnya.

"If any military agreements are reached and signed, they must be implemented," Grachev told correspondents in Khabarovsk, which he visited Tuesday [5 September] as part of his working trip to the Pacific fleet, the Far Eastern and Trans-Baykal military districts.

Grachev said he supports peace settlement in Chechnya but stressed he sometimes cannot agree with the way it is progressing. The minister said he does not understand why Russian servicemen get killed when negotiations are underway in Chechnya.

He reminded correspondents of a Russian Federation Council resolution which says "political and force measures shall be taken against the so-called Chechen irreconcilables if they do not start to implement the military agreement." "I fully agree with this resolution," said Grachev. [passage omitted]

Interior Ministry Division To Be Withdrawn

LD0109205395 Moscow Radiostantsiya Ekho Moskvy in Russian 1940 GMT 1 Sep 95

[FBIS Translated Text] At a sitting of the special supervisory commission in Groznyy today, a decision was taken to withdraw one division of Russian interior troops, sources close to the Chechen delegation told POSTFACTUM.

The commission was discussing activities in Groznyy to mark the fourth anniversary of Chechnya's independence on 6 September.

Military Operations

Three of Dudayev's Chechen Commandants Interviewed

LD0309205895

[FBIS Editorial Report] Moscow NTV in Russian at 1700 GMT on 3 September in the "Itogi" program broadcasts a four and a half minute interview with three commandants appointed by President Dzhokhar Dudayev — Aslanbek Ismailov, Aslanbek Abdul Khadzhiyev, and Alaudi Khamzatov, by NTV correspondent Yelena Masyuk. The three commandants are interviewed seated around a table outside a house at an undisclosed location in Chechnya.

Ismailov and Abdul Khadzhiyev were at Shamil Basayev's side during the capture of Budennovsk hospital in June, Masyuk reports. Like Basayev, they have since been awarded orders in honor of the nation. Made from gold, platinum, and rubies, these medals have been awarded to only six Chechens in all. Dudayev has appointed Aslanbek Abdul Khadzhiyev commandant of Shali and Aslanbek Ismailov commandant of Groznyy, Masyuk says.

Alaudi Khamzatov — who led the Chechen attack on the militia station in the village of Argun in August but managed to escape capture by the federal troops — is commandant of Argun, Masyuk notes. He tells the correspondent: "They are looking for me. No one can find me. I cannot be found in my own country." When Masyuk asks Khamzatov what he has been doing since Argun, someone interjects: "The wolf is licking his wounds," to the accompaniment of general laughter. Khamzatov himself replies: "I am preparing my people. I have very many fighters, outsiders and others. It will be clear there."

"All three of Dudayev's commandants move quite freely within Chechnya," Masyuk says, "while Khadzhiyev does not even hide the fact that the Russian side is looking for him after the operation in Budennovsk."

Abdul Khadzhiyev tells Masyuk: "I am not hiding and do not plan to hide. The fact that they are looking for me does not mean that I am a criminal. I will be a criminal after a trial if I am found guilty." "We came home according to the agreement," he continues. "We are not planning to remove anyone from their posts or kill anybody. We have come home under the agreement to disarm. According to the agreement, a group of 25 local militiamen, made up of those who have fought and defended the village, will be set up in defense, only they can guard the village."

"So Chechen fighters carrying weapons have become a common sight even in those villages from which they were driven several months ago," Masyuk says. She adds that local residents had hung portraits of Dudayev and Basayev outside the commandant's offices in some of the villages. Daily demonstrations are held at these commandant's offices and very often they are addressed by Dudayev's commandants. After the demonstrations people turn to Abdul Khadzhiyev for help in anything from giving them bread to searching for missing relatives, Masyuk reports.

Abdul Khadzhiyev says: "We have this Russian commandant's office in Shali that is engaged in self-defense, though what it is doing, why it is here in violation of the agreement, I do not know. Although according to the agreement military formations must be withdrawn

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three to four kilometers away from the beginning of disarmament, they are here and want to create a parallel structure of power."

Masyuk continues: "In fact it has turned out that today in Shali two commandant's offices are working in parallel, a Russian and a Chechen one, and both commandant's offices are organizing the handing in of weapons, although it should be said that weapons have been handed in to Shali for just four days. The Chechens explain this by the fact that the Russian side has no money left and no one wants to hand in small arms for free. So the disarmament process in Shali has stopped temporarily until the arrival of the Russian paymaster.

"As for the Groznyy commandant, Aslanbek Ismailov, he rarely appears in the Chechen capital."

Ismailov says: "I want the presence of Russian troops in this town to be on a legal basis, to fulfill their duties according to the law." Khamzatov comments in response: "If I am to be honest, then I do not want to see Russian troops present in this town."

Politics and Nationalism

Groznyy Security 'Tightened' for Independence Day

LD0509133795 Moscow INTERFAX in English 1238 GMT 5 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 5 (INTERFAX) — Security and public order are tightened in Groznyy in view of the fourth anniversary of Chechen independence marked on September 6.

The military commandant of Chechnya Lieutenant-General Arkadiy Baskayev told the press Tuesday [5 September] that the streets would be patrolled by 400 men instead of 250. The patrols moving on foot will consist of four servicemen and one or two local policemen. According to the general, heavy arms will be kept away from the streets.

Baskayev reported an agreement with the chief of the militants' armed forces Aslan Maskhadov that Dudayev's representatives would stay at all the four commandant's offices in Groznyy. "In the event of any provocations they will go to the spot and sort things out," the general added.

The commander of the federal force in Chechnya Lieutenant-General Anatoliy Romanov told the press Tuesday that troops have been alerted in view of the anniversary. "All reserves are in combat readiness. The opposite side is also taking steps to prevent provocations," he said.

"We realize perfectly well that if there are any provocations, the lives of civilians will be at stake first of all", Romanov stressed. He believes local conflicts are possible but hopes no large-scale provocations will take place.

Deputy head of the civil administration in Chechnya Lieutenant-General Vladimir Shumov told the press Tuesday that at a Monday session of the control commission for military agreements Maskhadov assured the Russian side that the Dudayev side is planning no provocations or actions in Groznyy for September 6. He did not rule out rallies in the districts.

"Nobody is going to stand in the way of such meetings. We will keep our reserves ready, but do not intend to disperse the rallies," Baskayev said.

Last week the Dudayev leadership decided to celebrate the fourth anniversary of what it described as the restoration of Chechen independence by rites of sacrifice in towns and villages.

Commenting on the decision to close the central marketplace in Groznyy till Saturday National Revival Government Chairman Salambek Khadzhiyev said it was an initiative of the city authority and had purely medical purposes.

Yarikhanov Pledges Calm on 6 Sep

LD0309090395 Moscow ITAR-TASS in English 0803 GMT 3 Sep 95

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY September 3 (ITAR-TASS) — The leader of the Chechen delegation to the Groznyy peace talks, Khozh-Akhmed Yarikhanov, told ITAR-TASS today that Chechen fighters plan no military operations for September 6, the independence day of Chechnya.

"I firmly announce: we did not plan and are not going to carry out any combat operations, much less terrorist acts," Yarikhanov said.

He said celebrations would be limited to a television address by Dudayev on a so-called "presidential television channel" and ritual sacrifices.

However, Yarikhanov shares apprehension of federal authorities in Chechnya about possible provocations.

He endorsed tighter security measures planned for September 6.

Joint patrols of Russians and Chechens, who Yarikhanov said should not carry arms, are to police order in Chechnya on the independence day.

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Lobov Interviewed on Role, Chechen Situation

MM0509081295 Moscow ROSSIYSKAYA GAZETA in Russian 5 Sep 95 pp 1-2

[Interview with Oleg Lobov, presidential representative in Chechnya, by Vladimir Yanchenkov and Valentin Maslennikov; date and place not given: "Oleg Lobov Will Not Duplicate Oleg Soskovets. Plenty of Work for Everybody in Chechnya — for President's Personal Representative and the Government Commission Chairman"]

[FBIS Translated Text] [ROSSIYSKAYA GAZETA] Oleg Ivanovich, your appointment as the Russian president's plenipotentiary representative in the Chechen Republic has had a mixed reaction from certain sociopolitical forces. What is your attitude to this?

[Lobov] I see my appointment as the president's plenipotentiary representative in the Chechen Republic as yet further confirmation of the unchanging policy of resolving the crisis by peaceful means. A planned quest for acceptable solutions is under way. Enhancing the role played by the president and the premier in resolving the conflict is part of this.

The first fruits of this policy are at hand. After all, some of the hospitals have already been restored and are open. Schools are ready for the academic year, which gives children a chance to study. The airfield, airport, and train station are open. Regular air and rail traffic has resumed.

I see my appointment as the president's representative as strengthening the role of federal organs of power in restoring the Chechen Republic national economy. Life here is getting back to normal, and the protection of the local population is being increased.

[ROSSIYSKAYA GAZETA] How do you assess the situation currently prevailing in the Chechen Republic?

[Lobov] It remains very complex and largely contradictory. On the one hand, an agreement was signed on a range of military questions and the disarmament process has begun, but the pace of disarmament is very slow. And this is undoubtedly making many people cautious and giving rise to a danger of revived hostilities. This must be prevented.

[ROSSIYSKAYA GAZETA] How do you assess the constant gunfire at night, the attacks on checkpoints, or the fact that Dudayev gunmen have started openly appearing in Groznyy carrying arms?

[Lobov] I support the steady fulfillment of the agreement signed on disarmament. Since it does not mention any gunfire or appearances in public with weapons, this means that those weapons must be withdrawn. Naturally, on a voluntary basis — as stated in the agreement. But where there is resistance, law enforcement organs should take decisive action within the framework laid down by the law. I think that this will only enhance the role of local law enforcement organs.

According to our information, the local police currently have 80 percent of their full complement. They have more than 5,000 officers. That is already an impressive force which should restore order. When necessary, of course, formations from the federal power ministries located in the Chechen Republic will help to disarm those who violate the agreement. Nobody should be under any illusions that the armed free-for-all can continue.

[ROSSIYSKAYA GAZETA] How reliable are the people currently serving with Chechen Republic internal affairs organs and receiving the weapons? Won't they turn them against the federal troops and those who today support the federal authorities?

[Lobov] I think that the Chechen people themselves have an interest in ensuring that honest, straightforward people who are able to ensure the peaceful work and peaceful lives of the population should be working in these organs. But let's be realistic — the cases which you have mentioned cannot be completely ruled out. Consequently, it is particularly important to develop methods which would make it possible to staff law enforcement organs correctly. I think that when cadres are being selected we need to rely more on the opinions of elders and representatives of the public.

[ROSSIYSKAYA GAZETA] Everyone is now claiming that there are powerful forces in Russia and Chechnya with an interest in dragging out the conflict, and that civil war in the region is virtually inevitable. Do you share that view?

[Lobov] No, I don't. There probably are such forces, but I would not call them influential. The most important and biggest force is the peoples themselves. Everything is decided by the peoples' healthy forces. The overwhelming majority of the population are, of course, opposed to any dragging out of the conflict, to civil war, to banditry, and to chaos, and, naturally, advocate observance of the Constitution, laws, and human rights. That is quite clear.

[ROSSIYSKAYA GAZETA] Do you think that it will be possible to hold democratic elections in Chechnya in the near future?

[Lobov] That would require the completion of disarmament — in other words, we would need to create the conditions for holding the election campaign and democratic elections without the threat of the use of

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weapons or of violations of the law. While forces exist which could influence the results by force of arms, it would be pointless to hold elections. The most correct thing to do would now be to accelerate the disarmament process and thereby pave the way toward ensuring that democratic elections are held in two or three months' time under public control and involving observers from other regions. Then we will see the free expression of the people's will. The most important thing is to ensure the conditions for people to go to the polls without fear.

[ROSSIYSKAYA GAZETA] It is no secret that certain politicians were not pleased about your appointment as the president's representative in Chechnya....

[Lobov] It would not be logical if all sociopolitical forces were to welcome my appointment. That would mean there was no opposition. It is entirely possible that certain sociopolitical forces would like to see their own representative in the post — someone who would suit them more. I don't think that this will hinder my work or stop me carrying out my functions and the tasks I have been given. I will try to find common ground with those sociopolitical forces in order to help the job along and to solve problems. Provided, of course, that they operate within the law and the Constitution, and show an interest in resolving the crisis and restoring normal life in the Chechen Republic.

[ROSSIYSKAYA GAZETA] How do you plan to organize your work, where will you be based?

[Lobov] For the first few weeks, or maybe even months, I will be spending the bulk of my time, of course, in the Chechen Republic. I will travel to other regions or to Moscow as necessary, to solve problems.

[ROSSIYSKAYA GAZETA] Won't your absence affect the Security Council?

[Lobov] I don't think it will, since the resolution of Chechnya problems is one of the main avenues of the Security Council's activity in 1995 and will continue to be to the same extent in 1996. Consequently, all the efforts of the Security Council apparatus will undoubtedly be mobilized to solve any problems that arise.

I would also note that we are by no means planning to replace the work of the government commission headed by O. Soskovets, of the government itself, or of the Chechen Territorial Administration. Their role will only grow with every passing day. I, as the president's personal representative, will be coordinating work, particularly in respect of interdepartmental problems. I think that the involvement of the presidential structure will enhance the potential of both the Russian Government and local administrative organs when it comes to practical work to revive the Chechen Republic.

Mezhakov Replaces Stepashin on Chechnya Commission

MM0509095595 Moscow ROSSIYSKAYA GAZETA in Russian 5 Sep 95 p 4

[Russian Federation Government Decree No. 831, signed by Premier Chernomyrdin and dated 26 August: "On Changes to the Composition of the State Commission for the Restoration of the Chechen Republic Economy and Social Sphere"]

[FBIS Translated Text] The Russian Federation Government decrees that:

1. I.A. Mezhakov, deputy director of the Russian Federation Federal Security Service, shall be included in the State Commission for the Restoration of the Chechen Republic Economy and Social Sphere ratified by Russian Federation Government Decree No. 176 "On Additional Measures To Restore the Chechen Republic Economy and Social Sphere" of 21 February 1995 (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, No. 9, 1995, p. 763).

2. S.V. Stepashin is hereby removed from the State Commission for the Restoration of the Chechen Republic Economy and Social Sphere.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

[Dated] Moscow, 26 August 1995

No. 831

Chechen Rebirth Government Postpones Elections

LD0409102195 Moscow Radio Rossii Network in Russian 0900 GMT 4 Sep 95

[FBIS Translated Text] Vladimir Zorin, First Deputy Head of the Territorial Department of the federal bodies of executive power in Chechnya, has received information that the republic's National Rebirth Government has changed its mind about holding elections at all levels in Chechnya by no later than 5 November this year. No new date has been set, Zorin told the RIA agency. Earlier, Russian officials had voiced doubt several times about the possibility of holding elections within this period, since the fighters are extremely slow in handing over weapons.

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Zorin To Top NDR Candidates in Chechnya

LD0409163995 Moscow INTERFAX in English 1457 GMT 4 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 4 (INTERFAX) — First Deputy Chairman of Russia's civil administration in Chechnya Vladimir Zorin, 47 years old, will be "No 1" on the list of candidates to the Russian State Duma from the Our Home Is Russia bloc in constituency 31 (Chechnya).

Zorin told INTERFAX in Groznyy today that on the Our Home Is Russia's Chechen list, he would be followed by former chairman of the Chechen-Ingush parliament Doku Zavgayev.

Zorin said many political parties and movements had proposed that he should run for the State Duma, Russian parliament's lower chamber, on their lists. Zorin said he believed that the Our Home Is Russia united the people "who represent the "party of peace," the people who realized that the time to throw stones has passed and that it's time to collect stones." He said he knew this not in theory but in practice because he was staying in Chechnya.

Earlier, Zorin said the military actions, as a result of which the center of Groznyy had been nearly completely destroyed, had been started by the government of Viktor Chernomyrdin. When asked how this statement corresponded with his present belief, Zorin said the government of Chernomyrdin "acted within the scope of its constitutional powers." Zorin said that since March 15 (when Zorin was appointed to his present post in Chechnya - IF) the Russian government had been doing its best in order to settle the crisis in Chechnya peacefully and restore the Chechen economy and social sphere as soon as possible.

Vladimir Zorin voted for the Civic Union electoral organization led by Arkadiy Volskiy in the 1993 parliamentary elections. Zorin ran to the Moscow City Duma the same year but failed to compete with a representative of the Russia's Choice.

Khasbulatov Ready To Join Chechnya Peace Efforts

LD0509111595 Moscow INTERFAX in English 1013 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (INTERFAX) — Former Russian Supreme Soviet speaker Ruslan Khasbulatov is ready to join efforts to settle the conflict in Chechnya peacefully. He expressed his readiness in an interview with INTERFAX.

Earlier Security Council Chairman Oleg Lobov spoke of the possibility of expanding the number of persons involved in consultations on Chechnya while Vladimir Zorin, assistant head of the Russian civil administration in Chechnya, openly named Khasbulatov.

According to Khasbulatov, he knows about the declarations only from the media but has not received any official offers to this end. If such documents come, he is ready to give a positive reply.

Khasbulatov went on to say that he is ready to support the new socio-political movement in Chechnya — the Popular Union for Revival. He said the program of the movement coincides with the objectives of the peacemaking group which he headed in Chechnya last year.

Khasbulatov added that he is ready to reconcile with all politicians, even those with whom he used to dislike. "This is not a time for personal ambitions. Today all normal people must do something to restore peace in Chechnya," he declared.

In Khasbulatov's opinion "certain forces are deliberately aggravating the situation in Chechnya, hindering efforts to untie complicated knots." "Everyone declares the willingness to reach peace, even though the actions of both sides do not always prove that," the former speaker of parliament said.

Effects on Chechen Community

Yeltsin Decrees Compensation for Chechen Victims

LD0509135995 Moscow INTERFAX in English 1330 GMT 5 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 5 (INTERFAX) — It was announced in Groznyy on Tuesday that Russian President Boris Yeltsin has signed a decree on additional compensation for the victims of the Chechen crisis.

Our correspondent reports that a lump sum equalling 20 minimum wages (now running at a monthly 55,000 rubles (about $12.5) is to be paid to all victims and that of 200 minimum wages to families of those killed in the war.

Compensation is also to be paid to those sustaining damage to or loss of their housing.

The government is given a month in which to determine how to raise and pay compensation money to the victims.

Air Service Between Moscow, Groznyy Resumes

LD0109195595 Moscow INTERFAX in English 1624 GMT 1 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 1 (INTERFAX) — Regular air service between Moscow and

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Groznyy was resumed Friday as the Don Airlines company made its first passenger flight from Moscow to Groznyy.

Groznyy airport head Alik Zugayev told INTERFAX that passenger planes will shuttle to Moscow and back to Groznyy twice a week, Tuesday and Friday. A ticket for Moscow will cost 470,000 rubles.

Zugayev said his airport will soon establish regular air service with Tyumen, Nizhnevartovsk (Siberia) and Minsk (Belarus).

Foreign flights to Groznyy will resume this autumn, Zugayev said. "Many foreign airlines are interested in flying to Chechnya," he added.

The Groznyy airport had been closed for passenger flights last summer.

Chechen Agriculture Begins Recovery Following War

LD0409194595 Moscow INTERFAX in English 1742 GMT 4 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 4 (INTERFAX) — Chechnya's agriculture is one of the main factors that could promote a more stable sociopolitical situation in the region, Russian Agriculture and Food Minister Aleksandr Nazarchuk told a collegium meeting of his ministry Monday.

Chechen Agriculture and Food Minister Alash Saikhanov told the meeting that Chechnya had a difficult task ahead to restore its completely destroyed agroindustrial complex. The spring sowing campaign had been carried out "on the heels of the military" clearing the fields from a total of 117,000 mines, he said.

Nevertheless, the everyday support of the Russian Agriculture and Food Ministry and the delivery of seeds and equipment enabled the republic to accomplish the required field works. As of this date, Chechnya's agricultural producers have harvested over 97,200 hectares of crops with an average yield of 1.42 tonnes from a hectare. On the whole, Chechnya plans to harvest about 146,700 tonnes this year. The yield could have been larger, but military operations and fires destroyed 35,000 hectares of crops, Saikhanov said.

Despite the difficult socioeconomic conditions, Chechnya's agricultural producers plan to sow about 150,000 hectares of winter crops and considerably raise the output of agricultural produce next year.

The meeting paid special attention to providing Chechnya with bread and confectionery. The output of these products in Groznyy rose from 48 tonnes a day in April to 82 tonnes a day in August. In the whole republic, it rose to 180 tonnes a day and now virtually covers the demand.

However, the situation may become aggravated as more refugees return to their homes. Nazarchuk called on all interested bodies to urgently bring on-line Groznyy's biggest baking plant #5 with a capacity of 80 tonnes of bread a day. This will help to prevent possible shortages of bread and confectionery, he added.

Speakers underlined that the republic still did not have a clear goal and notion of how to reform its agriculture, while to copy the old agroindustrial production under the new economic conditions would be inefficient and not in the interests of the republic itself. The meeting called on the Chechen authorities to outline the ways of developing and reforming their agriculture as soon as possible. It also said it was ready to provide the republic with its consulting services on any related issues.

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ITAR-TASS Carries Press Reviews

2 Sep

LD0209063195 Moscow ITAR-TASS in English 0545 GMT 2 Sep 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW September 2 (Itar-Tass) — Many newspapers today devote materials to the Democratic Press Forum held at the President Hotel in Moscow on Friday, whose participants discussed urgent problems of the journalistic community in the Commonwealth of Independent States.

The trade union newspaper TRUD reports that President Boris Yeltsin, addressing the forum, called for drafting and conducting a national information policy.

According to the president, such a policy "should ensure a full access of journalists to all socially important information and firm support of the press and protection of journalists by the state". The ROSSIYSKAYA GAZETA and ROSSIYSKIYE VESTI newspapers feature Yeltsin's speech in full.

The KOMSOMOLSKAYA PRAVDA newspaper carries a report by its special correspondents from Groznyy on an illegal arms and drug market in Chechnya. The reporters note that there is a supposition that Chechen arms and drug dealers "are motivated not by personal selfishness but act on an instruction, supplementing Dudayev's arsenals and at the same time demoralising the inactive Russian army".

The IZVESTIYA newspaper carries an article entitled "Does the Duma (Eds: Russian parliament lower house) want honest elections?" Examining the election law to the State Duma, the daily notes: "Paradoxical as it is, but if ballotting boxes contain ten times more ballotting papers than the number of voters, the law does not rule this a fraud.

"It covertly permits to regard all forged ballotting papers as real. The law does not contain criteria under which elections at any polling station may be pronounced as invalid."

In the newspaper's opinion, it will be possible still to ensure honest elections, if bills on public control over elections and a procedure of work of pricinct electoral commissions (which contain measures to protect elections from falsification and to make the process of summing up the results of elections open for the first time) are adopted by the legislature.

"Autumn voting on these bills will show whether the Duma wants honest elections," IZVESTIYA concludes.

An article by V. Yakimets, staff member of the Systematic Analysis Institute, published by IZVESTIYA, expresses concern over the so-called new radiation procedure enacted by the Russian government on Friday.

The gist of the government decision signed by premier Viktor Chernomyrdin late last July is that worked-out nuclear fuel from foreign nuclear power plants can be received for processing by the mining chemical combine in the city of Zheleznogorsk, Krasnoyarsk territory.

However, the newspaper notes, "Russia now has only one enterprise, processing worked-out fuel from VVER-440 and some other reactors". It is the Mayak amalgamation in the Chita region.

An RT-2 plant in Zheleznogorsk which is planned to process worked-out nuclear fuel from Russian VVER-1000 reactors and foreign reactors, has not been built. According to specialists, the first stage of this plant, under the most favourable circumstances, will be completed at least in another 10-15 years.

This means that "Russia will be forced to stockpile and store worked-out nuclear fuel from foreign nuclear power plants on its territory for a long time"..

"Our business is to heat up the country," board chairman of the Gazprom joinst stock society Rem Vyakhirev said in an interview with Trud. "As for our main practical task — preparations for winter, — it has been accomplished and even overfulfilled," Vyakhirev stressed.

"Russia has pumped up gas into available capacities virtually fully. Ukraine, Latvia and Germany have reserves for the time being. According to forecasts, September is expected colder than usual. This means we shall pump gas in September too.

"We have brought all necessery things to northern areas and rendered assistance to the Yamalo-Nenets National Area," the chairman noted.

Trud runs an article entitled "New area for corruption" by deputy chairman of the Russian Estimates Chamber about a bill on contracts of dividing products, which was adopted by the State Duma.

In the daily's opinion, "it is difficult to understand why the Duma, spending so much effort for every amendment to the budget, agreed with the bill, completely excluding the representative power from regulation, decision-making and control over sums of state property, considerably higher than the entire annual budget".

It is now the turn of the upper chamber to have its say, which will hold voting on this bill after the parliamentary holidays, Boldyrev writes.

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5 Sep

LD0509073795 Moscow ITAR-TASS in English 0603 GMT 5 Sep 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] Moscow September 5 (ITAR-TASS) — ROSSIYSKAYA GAZETA on the forthcoming elections to the State Duma, the Lower House of the Russian parliament.

"The Keys to the Duma" is the headline of an article which deals with decisions taken at the second congress of the Russia Our Home (ROH) electoral bloc. The delegates to the congress approved a programme of the bloc and decided on candidates who will run for the State Duma.

ROSSIYSKIYE VESTI, while devoting a separate article to the ROH, describes election meetings held by other parties, movements and associations in a general survey under the headline "He who gives money for congresses, orders party platforms".

The newspaper reports a scandal that has broken out in the Derzhava (Power) social-patriotic movement directed by Aleksandr Rutskoy. Eight members of the Movement leadership have accused their boss that he nominated "shady businessmen with a criminal past as candidates to run for the State Duma," the paper said.

TRUD, while mentioning the ROH election campaign manoeuvres in a general column, devotes a separate article to the unifying call addressed by State Duma Speaker Ivan Rybkin to a Russian Agrarian Party congress opening in Moscow.

PRAVDA's own correspondent in Smolensk writes about an unusual electoral association formed there at the regional level — a National-Patriotic Union which includes regional branches of the Russian Communist Labour Party, the Liberal-Democratic Party, the Derzhava movement, etc.

ROSSIYSKAYA GAZETA on Chechnya.

The appointment of Russia's Security Council Secretary Oleg Lobov as the Russian President's Personal Representative in Chechnya should be viewed as a strengthening of the role of Federal power bodies in the rehabilitation of the economy of the Chechen Republic, the paper believes.

In an exclusive interview with the newspaper, Lobov emphasised that the policy course towards a resolution of the crisis by peaceful means remains unchanged. He pointed out that he does not intend in any way to be a substitute either for the Government commission headed by Oleg Soskovets or local government bodies.

IZVESTIYA runs a dispatch by journalist Aleksandr Mnatsakanyan who writes that, while the "high negotiating parties" in Chechnya discuss plans for disarmament, an exchange of prisoners-of-war and a withdrawal of Federal troops, ordinary citizens have found a way to resolve some of the problems on their own. Go-betweens, or to be more exact coordinators, who have been working in Chechnya almost since the start of the war, are one of the final authorities in the POW exchange process.

PRAVDA comes forward with several versions of why Federal troops were brought to Chechnya in December last year, examining this move in the light of economic problems.

IZVESTIYA and PRAVDA on the banking crisis which broke out at the end of August.

IZVESTIYA writes about a scandal involving the Moscow City Bank. The banking crisis has brought about a scandalous surprise: Anton Dolgov, the Bank's Chairman of the Board, has disappeared together with a large sum of money.

SOVETSKAYA ROSSIYA has its own view of the banking crisis, hinting at a certain "prologue to a coup".

ROSSIYSKAYA GAZETA runs a Presidential Decree "On measures to stimulate export". The publication of the decree brings it into effect. The current export duties on a full range of commodities are cut down by 30 percent on average and those on ferrous mettalurgy products diminish by half.

Commenting on the Decree, a news analyst of the newspaper expresses a supposition that cuts in export duties will be probably followed by cutbacks in intra-Russia excise and oil and gas duties.

Baltic States' European Integration Discussed

954Q0280A Moscow NOVOYE VREMYA in Russian Aug 95 No 31, p 31

[Article by Anatoliy Vushkarnik: "'Levers' of Integration: The West Is 'Pushing' Latvia, Lithuania, and Estonia Into Russia's Embraces"]

[FBIS Translated Text] Agreements on the association of the Baltic countries with the European Union (the "European agreements") have been signed in Luxembourg. The documents contemplate close and long-term cooperation between the Baltic states and the EU. They are aimed at bringing the legislation of Estonia, Latvia, and Lithuania into line with European standards, establishing free trade procedures between both sides, and lifting the restrictions on the movement of capital, services, and manpower. These tasks will be accomplished

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by the Baltic states by 31 December 1999, after which negotiations on their entry into the EU as full members will begin.

The signing of the agreements of association signifies for the Baltic states an important step forward en route to the "return to Europe." However paradoxical, the "European agreements" could here be an event in the eastern policy of Estonia, Latvia, and Lithuania also.

Moscow's 'Lever'

Relations with Moscow have frequently served for the Baltic countries as a "lever" for rapprochement with the West. Portraying Russia as the main threat to independence, Tallinn, Riga, and Vilnius utilized any inappropriate actions of the Russian leadership (the events in Chechnya, for instance) to illustrate the need for the speediest integration in European political, economic, and military structures. Such tactics were successful. The Baltic countries rapidly grew closer to the European Union.

In May 1994, the Baltic states together with Poland, Hungary, the Czech Republic, Slovakia, Romania, and Bulgaria became "associate partners" of the Western European Union—the "military arm" of the European Union. Agreements subsequently appeared on free trade between the EU and the Baltic countries which took effect on 1 January 1995. After this, negotiations began on the conclusion between the EU and Estonia, Latvia, and Lithuania of the "European agreements," which culminated in the ceremonial meeting in Luxembourg.

Thus, in two years the Baltic countries have traveled the path that took the states of Central and East Europe approximately six.

Europe's Sanitary Engineers

But this pace cannot be put down to the credit of Baltic diplomacy. It is rather a question of the coincidence of the aspirations of the Baltic states and the West's interests in the Baltic region. Independent Estonia, Latvia, and Lithuania represent under the current geopolitical conditions part of the barrier separating unpredictable Russia from Europe. Their "fall" from the Russian sphere of influence from this viewpoint fully corresponds to the West's desire to "push" away from Europe the zone of instability and potential conflicts on the territory of the former USSR.

The signing of the "European agreements" is a frontier in this convergence. First, it starts a certain lull in the relations of the European Union and the Baltic countries. If the Baltic states fulfill by the year 2000 the terms specified in the agreements, this will not mean that negotiations on their membership of the European Union will begin automatically. There are no clear prospects in this respect even for Poland, Hungary, and the Czech Republic, which have progressed further along the path of economic transformations.

Second, Europe has made it understood to the Baltic countries that the state of Russian-Baltic relations will play an important part when the prospects of further cooperation are assessed. Thus continuation of the previous practice of relations with Russia will only increase the likelihood of the agreements of association being the last major success of the European policy of Latvia, Lithuania, and Estonia.

Invitation to the Dance

An opportunity to begin the normalization of relations has appeared in Russian-Baltic relations today.

Their "post-Soviet" stage is virtually over. The question of the line of the Russian Federation's borders with Estonia and Latvia has formally not been settled as yet. But here also a shift in the direction of more constructive positions has emerged as of late.

The Baltic states are beginning to recognize the significance of partnership with Russia. The transportation of Russian freight is bringing Estonia, Latvia, and Lithuania more than $1 billion a year. Reexports of Russian raw material and nonferrous metals constitute approximately 60 percent of their trade with the European Union. Rational approaches to relations with their eastern neighbor are gradually gaining the upper hand. Commodity turnover between Russia and the Baltic countries in 1994 grew to $1.3 billion.

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Yeltsin Meets FRG's Kohl on Bosnia Situation, Ties Details 'Serious' Discussions

LD0309192495 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 3 Sep 95

[Interview with President Boris Yeltsin by correspondent Aleksandr Shkirando at Zavidovo on 3 September; from the "Sunday" newscast — recorded]

[FBIS Translated Text] [Shkirando] At the Russian presidential residence in Zavidovo, Boris Yeltsin is not often visited by guests as high-ranking as German Chancellor Helmut Kohl. They have been on first name terms for a long time, which has done much to help return Russian-German relations to normal. During their meeting in this quiet and picturesque location just outside Moscow, these two old friends had virtually no spare time to relax. For nearly a day they were preoccupied with the most acute problems currently worrying not just the Russians and the Germans.

Boris Nikolayevich, what was the atmosphere like during this meeting with the German chancellor?

[Yeltsin] Well, we always have serious and, how can I put this, good-humored discussions. The two factors combine well. We have been friends for a long time of course, and we greatly respect each other and each others' opinions. If we have diverging views on anything, then we still try to understand each other and find some kind of compromise so that we can move closer together and not further from each other. It is like a balm to soothe the soul, it is very pleasant. Very pleasant.

We talked a lot about bilateral issues. For example, destruction of chemical weapons. Over the past decades we have accumulated so many of them that we cannot cope by ourselves. We also reached a firm agreement that Germany will be involved in providing financial and technical support for the destruction of chemical weapons. This is a very important issue. We talked about holding a conference on nuclear security in Moscow. On global nuclear security, and also on how to prepare for it, and so on.

[Shkirando] Boris Nikolayevich, as you know, the situation with the peace process in the former Yugoslavia is far from straightforward. On the one hand, the whole world knows that Russia has taken a firm line on the Balkans, but on the other there are various attempts being made to belittle Russia's role. In this respect, what happened during the talks with Chancellor Kohl, which have just ended?

[Yeltsin] We steadily brought our positions closer on Yugoslavia. First, that the problem will not be resolved by military means, that NATO bombings will not solve the problem. That it must be solved only through negotiations, in a peaceful manner, and using political means. That is our position.

[Shkirando] So your position of principle was accepted by Chancellor Kohl?

[Yeltsin] Absolutely right. Furthermore, of great importance is the fact that the Contact Group and the leaders of the three Yugoslav republics will hold a conference on 8 September. It is very important for them to agree there on a peaceful end. If they manage to do this, they will pave the way for a peace conference between the heads of the five states and of the three Yugoslav states, which will finally draw the line and reach agreement. I mean here to pass on to peaceful ways and tackle all the remaining issues by way of talks. We have come to agreement on this, too, though we understand that the United States, United Kingdom, and French presidents also have opinions of their own. We should discuss this with them. The day before yesterday I talked to Jacques Chirac. He backs the idea of holding this peace conference in Moscow in the middle of October. But we still have to agree on this with other leaders, with Clinton and Major of course. If they agree, then we all agree. Milosevic also agrees, yes. This peace conference — I am sure, I am confident not only because this is our initiative, but also simply because it will gather top leaders of the world's leading countries — it will invite them and decide on the basis of a lasting peace in Yugoslavia.

I think that this would be a definitive solution to the problem. Although some time is needed, of course, for it to come about.

[Shkirando] Nonetheless, you do have some grounds for hope, yes?

[Yeltsin] Yes, if you take into account the fact that it was supported by Chirac, and Helmut Kohl has just given his support. It has been winning active support. I think it is very realistic. It could also incorporate the United States' peace initiative. These two ideas — Russia and the United States' ideas — are not in conflict with each other. So there is nothing to divide us. In the long run we all have the same interests — that there be peace. The main problem is how to achieve it, and it must be achieved. [video shows Yeltsin in grounds of large country house]

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Denies Contradiction With U.S. Plan

LD0309161495 Moscow ITAR-TASS in English 1603 GMT 3 Sep 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW September 3 (Itar-Tass) — Russia and Germany will do their best to ensure the success of a meeting of representatives of the Contact Group and three Yugoslav republics in Geneva on September 8, Russian President Boris Yeltsin said in a televised interview after two-day talks with German Chancellor Helmut Kohl on Sunday.

Yeltsin said Kohl did not object to holding an international summit conference on Bosnia in Moscow in mid-October with the participation of the Bosnian sides and country mediators.

He pointed out that this idea, previously supported by French President Jacques Chirac, was welcomed by the German chancellor and expressed the hope that the idea of holding such a conference is a realistic one and could be combined with U.S. peace initiatives for Bosnia.

The ideas of Russia and the United States do not contradict each other, he added.

Asked about the atmosphere at the talks, Yeltsin noted that he and Kohl are old friends and respect each other very much. "If we disagree over something, we always try to find a compromise in order to move forward together, rather than separately," he said.

"We think this was a good meeting," he added.

The president said that bilateral relations took up a good deal of time at the talks. He cited cooperation between the two countries to destroy chemical weapons as an example.

Russia's stockpiles of chemical weapons are so huge that it cannot scrap them on its own, he said, adding that Germany agreed to provide both financial and technical assistance in eliminating Russia's chemical arsenals.

The two leaders also discussed the idea of holding a nuclear security summit in Moscow first proposed by Yeltsin in Halifax.

Yeltsin said an agreement was reached that Kohl will pay an official visit to Russia in the beginning of 1996.

Earlier today, informed sources in Bonn confirmed that Kohl will pay an official visit to Russia in early 1996.

Kohl Hails Relations

LD0309174095 Moscow ITAR-TASS in English 1724 GMT 3 Sep 95

[By Andrey Urban]

[FBIS Transcribed Text] MOSCOW, September 3 (Itar-Tass) — German Chancellor Helmut Kohl confirmed on Sunday he will pay an official visit to Russia early next year.

Meeting journalists at Moscow's Vnukovo-2 international airport before flying home after two-day discussions with Russian President Boris Yeltsin in his residence in Zavidovo (over 100 kilometres from Moscow), Kohl said the talks were held in a friendly atmosphere.

"Germany and Russia will continue to expand their relations in all possible spheres," he said, summing up the results of his talks.

"Germany is interested in the success of democratic reforms in Russia" and considers it as its "most important and powerful neighbour" in the East, Kohl said.

He said the Russian leader informed him about the steps being taken by the government to resolve the conflict in Chechnya.

The chancellor expressed the confidence that German business circles could boost their investments in the Russian economy and called for the soonest possible implementation of the agreement on partnership and cooperation between Russia and the European Union (EU).

He said Spanish Prime Minister Felipe Gonzalez (Spain is the current president of the European Union) and EU Commission chairman Jacques Santer will visit Moscow next week to discuss these issues.

Kohl said he and Yeltsin also agreed to step up cooperation between the law enforcement agencies of the two countries to fight organised crime.

Sees 'Realistic Chance' for Bosnia Progress

AU0309184295 Mainz ZDF Television Network in German 1710 GMT 3 Sep 95

[Interview with German Chancellor Helmut Kohl by Dirk Sager at Moscow Airport on 3 September, "shortly before Kohl's flight back to Germany" — recorded]

[FBIS Translated Text] [Sager] Is Moscow still a good address as far as the Balkans is concerned? Even Russian newspapers say that Russia no longer has any influence on what happens there.

[Kohl] What the papers say is sheer nonsense. Moscow is a first-rate address. Anyone who knows a little bit

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of their history knows what they are talking about. There are traditionally close links between Serbs and Russians. This extends into the religious field, the Orthodox Church. And, of course, Boris Yeltsin as Russian president has much better ways of talking to President Milosevic than any of us, whether it be Bill Clinton, John Major, Jacques Chirac, or myself. Each one of us has very intense relations with Croatia, very good relations with the Muslims in Bosnia-Herzegovina. And each one of us has to use his influence to achieve a solution of reason.

[Sager] President Yeltsin criticized both sides last week, opposing the use of force. What can President Yeltsin say if further air strikes are carried out?

[Kohl] I think the most important thing he can say is that when the political directors of the Foreign Ministries of the United States, Britain, France, Germany, and Russia meet with the foreign ministers of Bosnia-Herzegovina, Serbia, and Croatia in Geneva on 7, 8, or 9 September, we will use all our force to achieve an agreement as soon as possible. And if that meeting is not sufficient, a new meeting must be agreed immediately. And the wish that both Clinton and Yeltsin have — and which I support — to have a meeting, maybe at the end of October, of the heads of state and government of the five countries of the Contact Group and the presidents of Serbia, Bosnia-Herzegovina, and Croatia. This can be gotten under way now. For the first time now, I am not optimistic but I see a realistic chance that we will achieve some progress.

[Sager] When you are flying back home now, are you sure that Russia will not resort to disruptive action to cancel the embargo unilaterally?

[Kohl] I do not think so. I do not see any reason for this.

[Sager] If that big conference takes place, do you think that there is a real chance of an outcome being achieved that goes beyond the mere words of the past few years?

[Kohl] If the outcome is mere words, there will be no such conference. I will only take part in such a conference — and my colleagues say the same thing, Boris Yeltsin told me so just over an hour ago — if the conference is a success. That means the result has to be clear before the conference is opened. Unless this is the case, there will be no conference. That would be very much worse if we got together to produce a failure. But you know, action must be taken very quickly now. The suffering of the population concerned is really outrageous. There are hundreds of thousands of refugees in the various parts of Yugoslavia. Winter will begin there in a couple of weeks. And we Germans know — I was 14 or 15 years when the war ended — what treks of refugees mean, what misery. We have 400,000 civil war refugees in Germany, more than anyone else in Europe. We want these people to be able to return to their country. They are losing their roots if they have to live outside their linguistic area with their children. The whole thing is difficult to bear. I think it is impossible to bear, really. And that is why action has to be taken now.

Agrees With Yeltsin on Need For Peace

LD0309163995 Moscow ITAR-TASS in English 1624 GMT 3 Sep 95

[By Andrey Urban]

[FBIS Transcribed Text] MOSCOW September 3 (Itar-Tass) — "I fully agree with (Russian President) Boris Yeltsin that the Bosnian issue admits of no delay," German Chancellor Helmut Kohl told journalists on Sunday before flying home after two-day talks with his Russian counterpart.

Kohl said his views are shared by the leaders of the United States, Britain and France.

The chancellor said a meeting between the Contact Group members — Russia, the U.S., Britain, Germany and France — and representatives of the Bosnian sides — the foreign ministers of Serbia, Croatia and Bosnia-Herzegovina — scheduled to take place in Geneva next week may give a chance for peace in the former Yugoslavia.

He also supported the idea of holding a summit conference on Bosnia in Moscow in mid-October if the Geneva meeting proves successful.

Kohl pointed out that Russia and Germany agreed to have talks with their traditional partners in the former Yugoslavia in order to persuade them of the importance of such conference. "I absolutely agree with President Yeltsin that peaceful settlement can be reached only through negotiations," he said.

Leaders Against Use of Force in Balkans

LD0309141795 Moscow ITAR-TASS World Service in Russian 1338 GMT 3 Sep 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 3 Sep (ITAR-TASS) — Russia and Germany are united in their disapproval of the use of force in resolving problems of the settlement in the former Yugoslavia. This position emerged during the talks between Russian President Boris Yeltsin and German Chancellor Helmut Kohl that ended today.

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An ITAR TASS correspondent was told by an official spokesman of the Russian press service that the talks which were held at Yeltsin's country residence (more than 100 km from Moscow) were marked by "frankness and mutual trust."

There was an in-depth discussion of the problem of a settlement in the former Yugoslavia, he said. The Russian president and the German chancellor "were unanimous that force should not be used in solving it and that the efforts of the international contact group should be supported." Yeltsin pointed in particular to the need for a just and equal approach to all parties in the conflict and called for a lifting of the sanctions against the FRY.

A press service spokesman also said that the Russian president reaffirmed Russia's negative attitude toward the plans for NATO expansion, and Kohl spoke in favor of close partnership between Russia and NATO, "giving assurance of Germany's intention to help in the process of ensuring that all questions connected with creating European security structures are tackled by taking Russia's interests into consideration."

A press service spokesman said that the meeting also revealed the similarity of the two countries' positions on questions of interaction between Russia and the European Union and its acceptance into the Council of Europe. The desire to develop bilateral relations was reaffirmed.

Press Service Issues Statement

LD0309145995 Moscow ITAR-TASS World Service in Russian 1433 GMT 3 Sep 95

[FBIS Translated Text] Moscow, 3 Sep (ITAR-TASS) — The press service of the President of the Russian Federation has issued the following statement:

"Talks between President of the Russian Federation B.N. Yeltsin and Federal Chancellor of Germany H. Kohl ended today at the Russian head of state's residence at Zavidovo, near Moscow. The leaders of the two countries discussed a wide range of international and bilateral issues in an atmosphere of sincerity and mutual trust.

"There was an in-depth discussion of the problem of a settlement in the former Yugoslavia. The President of Russia and Federal Chancellor of Germany were unanimous in their rejection of force to resolve the crisis and in their support for the efforts of the international Contact Group. B.N. Yeltsin pointed out in particular the need for a just and equitable approach towards all parties to the conflict and called for sanctions on the Socialist Republic of Yugoslavia to be lifted.

"The President of the Russian Federation reaffirmed Russia's disapproval of plans to expand NATO, which contain — by chance or on purpose — a real threat of the appearance of new divisions in Europe. The Federal Chancellor of Germany spoke in favor of a close partnership between Russia and NATO, and gave assurances of Germany's intention to work to ensure that all issues of creating security structures in Europe will be resolved with account of Russia's interests.

"The similarity was noted during the talks of the two countries' stances on interaction between Russia and the European Union and its entry to the Council of Europe.

"Both sides expressed satisfaction with the relations between Russia and the FRG and reaffirmed their mutual wish to continue their stable and consistent development. Understanding was also shared of the need to maintain an intensive political dialogue. Ways were discussed of expanding Russian-German interaction and cooperation in various fields, and in particular in economic matters.

"Both leaders regarded the meeting as useful and agreed to continue their practice of maintaining regular contact."

Daily Considers Yeltsin, Kohl Meeting on Bosnia

MM0509102195 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Sep 95 p 7

[Article by Sergey Maslov under general heading: "Serbs Are Becoming Guerrillas...? and Kohl Is Pouring Balm on Yeltsin's Soul"]

[FBIS Translated Text] In a break during the working meeting with Chancellor Kohl President Yeltsin went on court. "He pounded the ball" was the report we received from informed circles. But Kohl did not take up this challenge. Perhaps he had heard that the leader of the Russian state wields a racket better than a conductor's baton? At any rate this show of strength and good spirits must have suited the head of the German Government very well. The chancellor plays different games. It was with his consent, among others, that the first NATO missile and bomb warm-up in history began in the European sky. Warm-up?

There was no game. On the other hand a brave face was put on it. "The meeting really, simply, you know, so to speak, was like balm to the soul," the president said after talks with his friend Helmut. Not a single meeting with any Russian politician has ever generated such an emotional response in him. The limp denunciation of the barbaric bomb attacks was obviously anointed by this "balm." On the television screen the president looked pale and weak. By no means on the physical plane.

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It was simply that it had become obvious yet again who was the boss in the all-European home. Who is conducting the orchestra — not to the tune "Kalinka" but to the thunder of air strikes. Who here decides who will have bombs on their heads and who will have balm for their souls.

Perhaps they will allow the Kremlin to be the boss — while the probable conference on a peaceful settlement in Bosnia is being held in Moscow. But it would be naive to suppose that the Western powers were guided here only by a sense of profound sympathy and sincere respect for Russia today. Understandably, for the Serbs the signing of peace agreements in the capital of any NATO country belonging to the contact group after the bomb attacks would be unacceptable since it would be like signing a capitulation.

The justification for the bomb attacks by one side cannot logically be linked with the fact that the other side is emphasizing unanimity allegedly achieved during the meeting with regard to the impossibility of resolving the Balkan crisis by strong-arm methods. The massive air strikes against the Serbs (in fact an undeclared war against them) is nothing other than the escalation of violence. In this connection attention is drawn by the fact that the principle of renouncing the use of force is being relegated further and further to the background in Germany's foreign policy. Before unification for entirely understandable reasons Bonn did not tire of assuring everyone of its firm adherence to this principle. Immediately after the fall of the Berlin wall Helmut Kohl stated that no one in Europe should be afraid of a united Germany. Perhaps he will now be able to persuade Yeltsin of that. But what will the German "Tornadoes" be able to convince Serbian women and children of as they prepare for take-off?

Of course we cannot belittle the importance of all the positive accords achieved during the meeting — from cooperation in the field of the destruction of Russian stocks of chemical weapons to joint plans for struggling against organized crime. But after all the president and the chancellor themselves made the Bosnia question the focal point during their talks. They could not fail to do so. Only that point is too sharp. However much you try to smooth it out.

Newspaper Applauds 'Useful' Yeltsin, Kohl Meeting

MM0509084495 Moscow ROSSIYSKIYE VESTI in Russian 5 Sep 95 p 3

[Article by Vladimir Mikhaylov: "Mindful of the Weight of Moscow and Bonn"]

[FBIS Translated Text] FRG Federal Chancellor Helmut Kohl paid a working visit to the Russian Federation 2-3 September at the invitation of President Boris Yeltsin. In the course of the talks held in the Russian President's residence at Zavidovo near Moscow the two countries' leaders discussed a wide range of international problems and questions of bilateral cooperation in the spirit of frankness and mutual trust characteristic of the relations between them.

The meeting's results refuted the claims by a number of Russian and foreign observers that a serious dissonance has arisen between Russia and Germany over Yugoslav and NATO affairs, which might drag out still further the pause in top-level bilateral contacts, if not altogether call them into question. Yes, our states' positions on a number of questions diverge, and no one makes any secret of this. It is all the more important that the president and the chancellor demonstrated once again that they can meet not only to discuss pleasant things, but are also capable of discussing difficult problems. Mindful of the weight of Russia and Germany in international affairs, you can understand how important such contacts are, including in terms of ensuring European security.

A considerable part of the meeting at Zavidovo was devoted to an in-depth discussion of the problem of a settlement in the former Yugoslavia. The Russian president and the FRG chancellor were unanimous in their rejection of strong-arm methods for resolving it and in their support for the efforts of the international Contact Group. B. Yeltsin especially pointed to the need for a fair and equal approach to all the sides in the conflict and called for the lifting of the sanctions against the Federal Republic of Yugoslavia.

The sides agreed that there is a real chance of making progress toward resolving the Bosnian crisis. This, in particular, was confirmed by the FRG chancellor at his news conference before flying out of Moscow. He emphasized the great importance of the peace conference on the former Yugoslavia, the initiative for holding which has come, as is known, from Russia. In the opinion of both leaders, this week's Geneva meeting of political directors from the member countries of the Contact Group and the foreign ministers of Bosnia, Croatia, and Serbia must serve to make careful preparations for holding it.

During the discussion of problems of building European security Yeltsin confirmed Russia's negative attitude toward the NATO expansion plans, which willy-nilly contain a real threat of the emergence of new dividing lines in Europe. H. Kohl spoke out in favor of a close partnership between Russia and NATO and gave an assurance of the FRG's intention to work to ensure that all questions connected with the creation of European security structures are resolved with due regard for

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Russian interests. Both sides emphasized the role of the Organization for Security and Cooperation in Europe in building a peaceful and stable Europe. The similarity of the two countries' positions on questions of Russia's cooperation with the European Union and its admission to the Council of Europe was recorded during the talks.

Both sides voiced satisfaction with the state of bilateral relations between Russia and the FRG. They discussed ways to increase Russian-German interaction and cooperation in various spheres, particularly the economic sphere. The federal chancellor confirmed his readiness to help to boost German firms' investments in Russia.

Both leaders regard their meeting as useful, and they agreed to continue their practice of making regular contacts. Agreement was reached in principle for the FRG head of government to pay an official visit to Russia at the beginning of 1996.

Kohl Visit Seen Aimed at Softening Serbia Snub

MM0509083595 Moscow ROSSIYSKAYA GAZETA in Russian 5 Sep 95 p 1

[Report by Vladimir Kuznechevskiy: "H. Kohl's Difficult Mission. Germany Supports Boris Yeltsin's Initiative To Convene October Conference on Peaceful Settlement to Yugoslav Crisis"]

[FBIS Translated Text] The most notable international political event of the past weekend was FRG Chancellor Helmut Kohl's visit to the Russian president's out-of-town residence at Zavidovo near Moscow.

The reason for the lightning visit was, clearly, the Western powers' desire to smooth over the awkwardness that has arisen in relations between Moscow and the Western capitals as a result of the large-scale military operation by NATO and the French battalion of rapid reaction forces in Bosnia.

Moscow, as is well known, had been warned about the commencement of the operation not at the stage when the decision was being prepared, but at the time when U.S. fighter-bombers were already en route to destroy the Serb forces' air defenses in Bosnia.

Yet when the Americans were trying to persuade the Russian president to officially participate in NATO's "Partnership for Peace" program (and Moscow hesitated for quite a long time over whether it ought to join this NATO offshoot or not) their main argument was the promise to work out military decisions jointly. Yet now for the umpteenth time since February NATO generals have prepared and implemented their military operations in Bosnia in total secrecy from Russia.

Russia, as a member of the international Contact Group, was so blatantly ignored that the Western powers had to attempt to somehow smooth over this negative effect of their behavior.

At the Zavidovo talks H. Kohl (according to B. Yeltsin) expressed his disapproval of the NATO military operation in Bosnia and actively supported the Russian president's initiative to convene a conference of the international Contact Group heads of state and of all the parties to the Yugoslav conflict in Moscow in October.

Kozyrev Welcomes Proposed Ministerial Talks in Geneva

LD0209130795 Belgrade TANJUG in English 1052 GMT 2 Sep 95

[FBIS Transcribed Text] Moscow, Sept 2 (TANJUG) — Moscow has welcomed a proposal to hold a meeting between the foreign ministers of Yugoslavia, Croatia and the Muslim government in Sarajevo in Geneva late next week.

After a telephone conversation late on Friday with U.S. Assistant Secretary of State Richard Holbrooke, Russian Foreign Minister Andrey Kozyrev said that he had offered support to the idea to convene the ministerial meeting.

Kozyrev and Holbrooke, the head of the U.S. negotiating team in the former Yugoslavia, discussed the situation in Bosnia. Holbrooke is expected to meet senior Russian officials on Sunday. The venue of the meeting and the names of Russian officials have not been disclosed yet.

British Foreign Minister Malcolm Rifkind is due to arrive in Moscow on Sunday to discuss with his Russian counterpart the situation in Bosnia and prospects for a peaceful settlement of the conflict in the former Yugoslav Republic.

Moscow Condemns NATO Strikes at Contact Group Meeting

LD0209173195 Moscow ITAR-TASS in English 1655 GMT 2 Sep 95

[By Gennadiy Kulbitskiy]

[FBIS Transcribed Text] BONN, September 2 (Itar-Tass) — A Russian high-ranking official said Russia disapproves of NATO's bombardments in Bosnia because they do not lead to a peace settlement in the Balkans.

"In Bonn, we stated, in strong terms, Russia's negative attitude towards the policy of air strikes to influence the situation in Bosnia," the Russian president's envoy to

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Yugoslavia Aleksandr Zotov said after a meeting of the Contact Group which was held behind the closed doors in Bonn on Saturday.

"We believe that the positive political potential we have accumulated has opened up prospects for a movement towards peace in Bosnia. That is why we cannot accept the logic of those who are itching to 'flex their muscles' in the Balkans. Our colleagues share the Russian side's opinion that such policy does not help to move towards peace in that region," he said.

In an exclusive interview with Itar-Tass, Zotov pointed out that Russia's position calls for preventing such massive air strikes on Bosnian Serbs in the future. "The bombing of Europe's southern flank has nothing to do with the establishment of peace there," he said.

Asked if Russia supports the U.S. idea of holding a meeting of the foreign ministers of the five Contact Group countries, as well as Yugoslavia, Croatia and the Moslem government in Sarajevo in Geneva next week, Zotov said "this is a new idea which has not taken shape yet: whether this will be a conference at the level of foreign ministers or at some other level. We are discussing it now."

At the same time he noted that "Russia has always called for making the peace process in the Balkans more dynamic."

Lukin: U.S. Plan for Bosnia Plagiarized, Flawed

MM0509104995 Moscow TRUD in Russian 5 Sep 95 p 4

[Article by Vladimir Lukin, chairman of the State Duma Committee for International Affairs: "Blood Cannot Be Washed Away With Blood"]

[FBIS Translated Text] The more efforts the diplomats exert in order to damp the flames of the Balkan crisis, the fiercer it blazes. Who is to blame for this and where the sources of the Yugoslav tragedy lie is a separate question. Today we will speak of the most recent events in the Balkans.

And so, as soon as the situation on the territory of the former Yugoslavia flared up yet again, the idea was conceived of organizing a meeting of the two opposing sides — Croatia and Serbia — in Moscow. I have nothing against this, and would have been happy if the conflict had been resolved after such a meeting. But after all, it was clear that Croatian President Tudjman was acting with the silent assent of the West and the United States in committing his bloody deeds. And if this is so, it was an absolutely unrealistic idea from the very outset to suppose that Tudjman would come to Moscow together with Milosevic and conclude some kind of agreement, turning his back on the United States.

So then the so-called American Plan came to the fore. However, it can only be called American highly conditionally. The initiatives put forward in were proposed and discussed a long time ago. For instance, it was already obvious that the only possible political solution in the Balkans is to follow the principle of creating two state-political systems. One should be mainly Serb, the other Croatian with a Muslim element. As for a summit meeting between the interested sides, it is also by no means an American idea. It was put forward back in August by the State Duma.

But the American initiative, in my view, has extremely serious flaws. It is not a plan for the second half of the 20th century, but a plan in the style of Bismarck, for it is implemented by iron and blood. The United States is currently trying to dismantle Yugoslavia in roughly the same way as Bismarck united Germany in his day. In this the greatest crime has been committed — the biggest ethnic purge in the entire history of the Yugoslav war.

It is well known that NATO's attacks were carried out in response to the bloody events in Sarajevo. Who was the perpetrator of this inhumane, stage-managed scenario, which strongly smacks of provocation? I know of the United Nations' investigation into this question, but I do not know why the Serbs' requests to organize a joint commission and to investigate this problem jointly was rejected out of hand.

I think that there can be only two explanations in this regard. Either provocateurs, highly committed to exacerbating the situation as they are, did indeed do this. Or it could have been the work of unruly Serb field commanders, who do not understand that they are effectively firing on their own people.

But at any rate, despite all the tragedy of this event, the massed bombardments by NATO air power are an entirely disproportionate response.

Meanwhile, terrible pictures of the people killed and tormented in Sarajevo continue to appear in America with a constancy worthy of a better use. It might appear that such situations should indeed be shown, but, I repeat, the correlation between the explosion of shells in Sarajevo and what actually happened in recent days in Serbian Krajina is completely out of proportion. There are two types of lie — the straightforward lie, and the suppression of the truth.

I do not believe that mass bombing and the killing of civilians which inevitably accompanies it is a good idea from the point of view of a swift peace settlement. It is

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absolutely unacceptable, and a long way from the talk of humanity which is heard meanwhile, first to orchestrate bloody events and then in response to intimidate the Serbs with more bloody events.

I understand the position of many sides who state that it is possible and necessary in principle to work on the American plan. But let us turn it from an American plan into an international plan, into a "Contact Group" plan, let us examine what is rational in this plan and what is unacceptable. Let us combine this plan with the proposal put forward by the State Duma. Let us, if you like, wipe off the layer of blood from the American plan.

And we must finally agree with the idea that Russia will not be able to play its unique peacekeeping role without other participants in the settlement of the Balkans conflict. This is a sham and an empty boast. But nor can America alone without the support of the West and Russia fulfill the plan which it is trying to implement through methods many of which are unacceptable. It is time to begin work and to stop the bloodshed without delay.

Commander Questions UN Probe Into Sarajevo Attack

LD0209202395 Moscow ITAR-TASS in English 2007 GMT 2 Sep 95

[By Andrey Naryshkin]

[FBIS Transcribed Text] ZAGREB, September 3 (Itar-Tass) — The results of a U.N. investigation into the shelling of Sarajevo's Markale marketplace were falsified, Colonel Andrey Demurenko, chief of staff of the Sector Sarajevo, said.

He said the fire had not been conducted from the positions indicated in an official report prepared by U.N. experts who probed into the August 28 shelling which killed and wounded over 100 Bosnian Moslems.

The calculations of the trajectory of the mortar shell that hit the marketplace made by Demurenko and his study of the terrain challenge the official version of the tragedy. "No one in the world can now prove that the materials of the U.N. commission tell the truth," he said.

Demurenko told Itar-Tass that despite U.N. official's resistance, he and a guide studied on Friday the locations indicated in the report as the likely firing positions. "Now I have the photographs of these places and the necessary calculations. The most important of them are in a safe place. So even if they get rid of me nothing will change," he said.

He did not rule out the possibility that the Serb side might be responsible for the attack, Demurenko asserted that the political decision to use NATO air power and the Rapid Reaction Force was adopted on the basis of a falsified report.

Demurenko's private investigation has already angered many official bodies whose interests may be hurt if his version proves to be correct. Confidential sources in the headquarters of the U.N. Protection Force told Itar-Tass that Demurenko may soon become a persona non-grata for the Bosnian authorities and an unwanted person for the U.N. commanders.

Serb 'Guerrilla' Warfare Intentions Viewed

MM0509091095 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Sep 95 p 7

[Article by Yelena Kalyadina under general heading: "Serbs Becoming Guerrillas?... and Kohl Is Pouring Balm on Yeltsin's Soul"]

[FBIS Translated Text] There really are unusually punctual people working in NATO! When in early August I visited the NATO headquarters, which coincided with the present aggravation of the Yugoslav crisis, a NATO staffer reassured me with a spontaneous joke: "Don't worry, we shall not bomb the Serbs until the start of the fall — this is the vacation." The joke has become reality. Fall, and with it the opening of a new working season in NATO, was seen in with strikes, proving that contrary to widespread opinion there is still powder in the NATO powder kegs.

The specific, albeit approximate, results of NATO's punitive operation against the Bosnian Serbs are as follows: About 90 military targets were destroyed, over 1,000 people were killed, the majority civilians.

The ruins left after the NATO attacks are a suitable foundation for the "new architecture of European security" which the alliance is now elaborating. Unfortunately I did not manage to muse on this subject over the telephone with the high-ranking NATO official responsible for the Yugoslav "settlement" — because he was extremely busy. Nonetheless he achieved the aim of this "business" — the suspension of the bombing. Of course this did not happen because of NATO's kindness but for the simple reason that the Serbs began to withdraw their heavy arms from Sarajevo, thus fulfilling NATO's will. But the United Nations' will was not fulfilled — since the mandate of its peacekeepers does not provide for the destruction of the military potential of any side in the conflict. In general the NATO officials proved unambiguously that they are not only alive themselves but also readily force others to live according to their orders.

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But the Serbian Army will hardly swear loyalty to those orders. In the opinion of Colonel Andrey Demurenko, chief of staff of the UN "Sarajevo" sector, the Serbs are now taking passive defense measures in order to reduce their losses but at the first opportunity they will switch to active guerrilla actions. On condition, it is true, that the political leadership does not make another decision.

And that is not out of the question. Since at the recent talks with Serbian President Milosevic the leaders of the Bosnian Serbs signed an agreement whereby they undertook to "pursue a peace-loving policy" elaborated by Belgrade. At the same time as a result of the talks between Milosevic and Holbrooke, the U.S. Secretary of state's aide, "considerable progress" was recorded in the rapprochement of the U.S. and Yugoslav positions. An eloquent detail: This "progress" came immediately after the NATO reprisal. And that attests to one thing: With the aid of the U.S. "stick" they managed to get the "refractory Serbs" to the conference table. As for the "carrots" (in the form of the promised lifting of economic sanctions and so forth) then the NATO bombs are a subtle hint that carrots may not be distributed at this conference table.

Under the conditions of the increasing firmness of the U.S. tread on the Balkan path we can only admire the endurance of Russia, which is trying not to lag too far behind on this path. Probably this national quality even moved FRG Chancellor Helmut Kohl, who spent a weekend alone with Boris Yeltsin. It remains to be hoped that the famous hunting landscapes at Zavidovo near Moscow have indeed inspired him to support our Fatherland's laborious peace initiative.

Of course on one essential condition: That this initiative, which is promoting the rebirth of Russian national pride, does not impede the interests of Germany, as it is reborn increasingly tangibly. And primarily in the Balkans.

Commentator on Causes of War in Bosnia, Chechnya

MK0209131595 Moscow KRASNAYA ZVEZDA in Russian 2 Sep 95 p 2

[Report by Aleksandr Golts: "Provocation Is the Last Refuge for the 'War Lords'"]

[FBIS Translated Text] Historians have argued for 80 years whether the assassination of Archduke Ferdinand was the work of a small terrorist organization or the result of an intricate, multi-step intrigue by the special services of contemporary Europe. Yet few would consider these shots the true reason for a terrible world war. Leaders at the time began a war because they did not see another way to resolve their conflicts.

Likewise it is of little consequence whether the ill-fated mortar shell that fell on Sarajevo residents on Monday [28 August] was fired by a Muslim or a Serb or whether he acted on his own initiative or carried out someone else's assignment. Yes, it is perfectly clear that over the years of conflict, those who cannot conceive of life without war have seen their influence in the conflict zone grow. It is war and blood that buttress their power and material well-being. When Somalia was the focus of world public attention, such people were quite aptly called "war lords." If the word "war" is dropped from this combination, the "lord" will immediately cease to be a lord. Oftentimes he will immediately turn into what he really is: a criminal. Sometimes a war criminal, sometimes a regular felon. And he is mortally afraid of peace.

Such different events of the past week as the explosion in Sarajevo, the attempt on the life of the Georgian leader, and the capture of Russian border guards by Dudayev gunmen have one thing in common. These are provocations aimed at destroying even the hope of a peaceful, nonviolent resolution of conflicts. But provocation only has a chance of success when it coincides with the interests of the powers that be.

Do the endless violations of agreements by the Dudayevites not give the Russian side sufficient cause to revert to force — something figures like Basayev obviously dream of? But as the Security Council session showed, while not ruling out the possibility of using force, the Kremlin is placing its main bet on dialogue with the broadest possible number of representatives of the Chechen people, on restoring a normal life there.

The attempt on Shevardnadze's life has untied the Georgian leader's hands in order to straighten things out with his political opponents (it is not ruled out that this is what the organizers of the explosion in fact hoped for). But Georgian politicians had enough wisdom not to impose a state of emergency in the country at the same time as a new constitution — even though searches (and, reportedly, very productive ones, since they turned up many weapons) were conducted in the offices of parliament members. Time will tell whether the explosion in Tbilisi will become a prologue to suppression of the political opposition.

And now let us go back to Bosnia again. It was not the death of more than three dozen people that raised dozens of NATO bombers into the air with a multi-ton load of bombs and missiles that were then brought down on Serb positions. They were raised by the wish to "strike" and punish those whose position and actions have for three years now compelled talk of the impotence of the North Atlantic bloc, its inability to ensure peace

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and stability in Europe. In a word, the rationale behind the NATO action was to demonstrate once again who decides the fate of the world. Moreover, it is far from accidental that immediately after the bombing the mass media in various countries ran statements to the effect that the United States is today the only superpower.

By a quirk of fate the provocation occurred at a time when Bosnian Serbs had in principle agreed with the U.S. settlement plan. But what does it matter when a strike group has been created, while the enemy's obvious weakness allows for the staging of a demonstration of force! In this way Western leaders could demonstrate their determination (which is simply vital for some of them, for instance, the U.S. president) without the risk of sustaining losses.

With such a setup any talk to the effect that the NATO strikes should "persuade" the Serbs of the need for a peaceful settlement is merely that — talk. Even assuming that people who have been at war for three years will be scared by air attacks and will agree that the long-awaited peace should look like a capitulation, there are also other sides involved in the conflict — those in whose interests NATO and the multinational rapid reaction forces are in effect operating today. It is an open secret that Muslim artillery hastened to join the strikes on Serb positions. It is quite clear that the Muslims will try to use the situation to seize new tracts of territory. I would not be surprised if today the Bosnian Government were to reject the proposed settlement plans.

Neither should one be surprised if the Croats make good their threats to "reintegrate" by force of arms the areas still under Serb control. After all, the recent operation in Krajina showed that Zagreb need not fear NATO bombing even if it conducts ethnic cleansing. Therefore, to all appearances, the NATO bombing will not mark the finale of the Balkan crisis. Rather the opposite is the case: It is a prologue to a still bloodier war. And this is sad.

Especially given that Russia in its present state will to all intents and purposes not be able to influence the situation or pursue an effective policy in the Balkans. Western states easily ignore both its appeals to reason and its protests against the use of force. Moreover, even domestic diplomatic thought has long ceased to feature any originality. With bizarre tenacity, we insist on an international conference on Bosnia. In itself the idea is unassailable. But it looks a bit odd, to put it mildly, amid the clouds of black smoke from the bombing.

We must be frank: The role of intermediary in the conflict can only be played by the side that has real influence. All parties to the conflict must have seen that Moscow has no such influence. In fact, it has only one more or less effective means: unilateral abandonment of sanctions against Belgrade. But whether we shall dare set ourselves against the West is hard to tell. I do not know that this is a case where one should stick it out to the end.

But it is even sadder to realize that international politics is still farther deviating from principles of basic justice. It is increasingly becoming hostage to the selfish interests and domestic problems of individual states and the petty ambitions of their leaders — which the "war lords" are using to their advantage.

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Political Issues

Yeltsin Signs Decree on Lowering Export Tariffs

LD0109200395 Moscow INTERFAX in English 1624 GMT 1 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 1 (INTERFAX) — Russian President Boris Yeltsin has approved the government's resolution on lowering present export tariffs by 30% on average from September 1.

Yeltsin issued a decree today on measures for stimulating export. He said such a move had been made in order to carry out the stabilization policy on the currency market, defend the interests of national producers and stimulate export.

Yeltsin instructed the government to work out additional measures for stimulating export, including the enlargement of the list of goods which will be exempt from export duties or on which lower export duties will be levied.

INTERFAX has learned that the Russian government plans to fully abolish taxation of Russian exports from January 1, 1996.

Independent Russian experts say the government's and the president's decision to considerably reduce export tariffs going as far as abolishing them on a number of raw material goods and military equipment and armaments became necessary after the introduction of the "currency corridor," which limits the ruble's fluctuations versus the dollar to from 4,300 to 4,900 rubles/$1.

Experts say the efficiency of export of raw material, considered as strategic export, and special equipment has begun decreasing after the introduction of the "currency corridor." Experts say such an undesirable development of the situation might lead to a number of negative repercussions, including a decrease in production, more lay-offs in export-oriented industries and a decrease in revenues from the profit tax levied on enterprises whose production is exported.

Experts say the reduction of export tariffs will help Russia correct the situation and maintain the export of raw material on the level achieved in the first half of 1995.

Daily Provides Text of Edict

MM0509101695 Moscow ROSSIYSKAYA GAZETA in Russian 5 Sep 95 p 1

[Russian Federation Presidential Edict No. 890 signed by President Yeltsin in Moscow on 31 August: "On Measures To Stimulate Exports"]

[FBIS Translated Text] With a view to implementing a policy of stabilization on the foreign exchanges, protecting the interests of domestic producers, and stimulating exports, and in accordance with Russian Federation Presidential Edict No. 226 "On Measures To Strengthen Financial Discipline in the Implementation of the Federal Budget" of 28 February 1995, I decree that:

The Russian Federation Government's proposal to lower existing export duties by an average of 30 percent for a number of exports and by 50 percent for listed ferrous metal goods, and to introduce changed export customs duty rates by Russian Federation Government decree shall be complied with.

The Russian Federation Government shall make provision until the end of 1995 for additional measures to support domestic producers, not least by enlarging the list of goods for which export customs duty is reduced or abolished.

[Signed] Russian Federation President Boris Yeltsin

[Dated] Moscow, the Kremlin, 31 August 1995
No. 890

Yeltsin To Consider Power Sharing With Sverdlovsk

LD0109135995 Moscow INTERFAX in English 1206 GMT 1 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 1 (INTERFAX-Eurasia) — Russian President Boris Yeltsin agreed in a meeting in Moscow Friday with Sverdlovsk region Governor Eduard Rossel, elected on August 20, to consider a power sharing treaty between the region and the federal authorities, Rossel's press secretary Aleksandr Levin told INTERFAX-Eurasia.

Levin said that the meeting, which lasted nearly an hour, was a cordial talk.

Rossel submitted drafts of the treaty and 15 economic agreements on investments, law and order, monetary, crediting and currency policy, budgetary relations, land use, and cooperation in the defense industry and international relations and foreign trade.

Levin said that Yeltsin told the prime minister to study the draft treaty and suggest amendments to it without

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delay. According to Levin, Yeltsin wants this work done in two months.

Levin said that the two men discussed a wide range of socioeconomic problems facing the region such as crime, financial frauds and low pensions.

Rossel asked the president to make a 100 to 120 billion rubles state credit available to the region for purchases of grain, forego fines imposed on the region's factories for non-payment of their bills and pay the federation's debt to the region amounting to nearly 1.5 billion rubles.

Rossel told Yeltsin about a non-party Transformation of the Motherland group set up in the Urals to have professionals from the regions elected to the State Duma, Russian parliament's lower house.

Rossel said that if it persists in the tactics used by his rival in the gubernatorial elections Aleksey Strakhov, the Russia Is Our Home movement will not have much chance of success in Russian regions.

Yeltsin Approves Transfer of Shares

LD0109211195 Moscow INTERFAX in English 1914 GMT 1 Sep 95

[FBIS Transcribed Text] MOSCOW, Sep 1 (FIA-INTERFAX) — Russian President Boris Yeltsin issued a decree Friday on the transfer to the private sector this year of shares in privatized Russian companies till now held in trust by the government. The decree takes effect from the day of publication by the Russian media.

The decree endorses a government proposal for holding auctions in the final quarter of this year for the right to conclude agreements on credits, government-held stocks and commissions derived from them. Revenues would be used to cover the 1995 budget.

The paper also endorses the proposed regulations for holding appropriate auctions, saying any transfer of government shares in stock companies set up in the course of privatization to guarantee steady revenues to the budget can be made only at the end of such auctions.

The Finance Ministry, The State Committee for Management of State Property and the Russian Federal Property Fund are instructed to conclude deals with auction winners. The State Property Committee is given 10 days in which to determine the list of government packages to be put up for auction as well as to ensure that appropriate auctions are held in the fourth quarter of this year as envisaged by the decree.

The auction is deemed held if it involves more than one bidder with each of them offering a price higher than the initial bid.

The sale by a commissioner of government shares transferred as security can be done in any way as envisaged by Russian legislation on privatization at his own discretion apart from investment sales. The commissioner is free to choose how to sell government shares provided the principles of competition and openness are observed.

The State Property Committee is also instructed to enter the name of an agency obtaining government shares as security into the state property registry as the nominal holder of relevant shares. The holder is entitled to choose his depository.

The decree rules that any vote on such shares is to be carried out by the holder at his own discretion apart from votes on the following questions: Reorganization and liquidation of the stock company; changes in its founding papers; changes of the amount of its charter capital; collateral, leasing, sale, exchange or any other form of property estrangement if the size of the deal or property value liable for transaction is higher than 10% of the company's authorized assets; sale or any other alienation of property as well as mortgages; acquisition of credits to the amount higher than 10% of the company's net assets; company involvement in the establishment of other agencies including daughter companies; flotation of securities; endorsement of annual accounts, balance sheets, profit and loss accounts and distribution of company profits and losses.

The decree says any voting on such issues can be carried out after prior written consultation with the state property committee. The vote is deemed invalid if held without such consultation or in breach of it.

Presidential Staff, Civil Service Appointments

MM0509094695 Moscow ROSSIYSKIYE VESTI in Russian 5 Sep 95 p 1

[Unattributed report under the "President" rubric: "Cadre Transfers"]

[FBIS Translated Text] A Russian Federation presidential edict has released A. Kurbatov from the post of chief of the Federal State Service Administration in connection with a reassignment.

A Russian Federation presidential directive has released P. Korolkov from the post of leader of the secretariat of the leader of the Russian Federation Presidential Staff at his request. V. Pryamukhin has been entrusted with acting as leader of the secretariat.

I. Gorshkov, deputy chairman of the Russian Federation Committee for Information Technology, has been released from his post by a Russian Federation presidential directive in connection with a reassignment.

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Agrarian Party Votes No Confidence in Shakhray

LD0509140895 Moscow INTERFAX in English 1334 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (INTERFAX) — A statement presented by a Russian Agrarian Party congress Tuesday passed a vote of no-confidence on Deputy Russian Prime Minister Sergey Shakhray.

Chairman of the party's Bashkir organization Rais Asayev told delegates that "residents of Bashkortostan were outraged" by the pronouncement of the Deputy Prime Minister and the leader of the Party of Russian Unity and Accord which accused the republican leadership of a policy of separatism and Islamization and claimed Chechen armed units of Dzhokhar Dudayev are formed and financed there.

The government of the Russian Federation has not disavowed these claims by the vice-premier made at a recent congress of the Russia Is Our Home movement, despite the statement of Bashkortostan President Murtaza Rakhimov, stressed Asayev.

Shakhray Stands by Evaluation

LD0109142595 Moscow INTERFAX in English 1033 GMT 1 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 1 (INTERFAX) — Sergey Shakhray, a Russian Deputy Prime Minister and the leader of the Russian Unity and Concord Party (PRES), told INTERFAX that he stands by his evaluation of the situation in Bashkortostan, an internal republic of Russia, that he had gave at the convention of the Russia Is Our Home movement.

Shakhray is prepared to fight the case in court if Bashkortostan's President Murtaza Rakhimov goes ahead and sues him. Shakhray apologized to the Bashkirians if his "emotional remarks offended the rank-and-file people."

Rakhimov asked the Russian government at the end of August to disavow officially Shakhray's remarks about the policy of separatism and forming and financing Dzhokhar Dudayev's units, allegedly pursued by the Bashkirian authorities.

Shakhray said that he did not assert that Rakhimov is personally involved in forming such units but that such attempts did take place in Bashkortostan. He explained that these events were reported by the republic's press and these reports have never been disproved.

Shakhray argued that the hiring and firing of people is indeed pursued in Bashkortostan along ethnic and religious lines and there is too much nationalism and Islamization.

"I am not afraid of court hearings and will use in them the facts that I know in my capacity as a member of the Russian National Security Council and government but I don't think that a court case will benefit Russia or Bashkortostan," Shakhray said. He believes that it would be in the interests of the government and president to put an end to the conflict between himself and Rakhimov "which harms both of us."

Continued Pre-Election Reportage, Commentary

Chernomyrdin Closes 'Our Home' Congress

LD0309151195 Moscow INTERFAX in English 1334 GMT 3 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 3 (INTERFAX) — The congress of the Russia Is Our Home movement showed that the movement had become a "real and influential factor in Russia's political life," Russian Prime Minister, Russia Is Our Home leader Viktor Chernomyrdin said when closing the movement's congress today.

Chernomyrdin said the Russia Is Our Home united about 3 million people. He said the movement had well-organized regional branches in nearly all of the federation's constituent members.

Chernomyrdin said the Russia Is Our Home was entering the election campaign with "clear ideology, a clear policy and a wide social basis." He said he believed that this allowed the movement to stand rather good chances in the coming parliamentary elections. However, he said that the movement yet had to become "a serious political force of the Russian society not just by the name but in fact."

Chernomyrdin said one of the key tasks for the movement was to gain more support from voters. He said he deemed it necessary to attract to the Russia Is Our Home "new groups of voters who have not so far made their choice, and increase the movement's influence among the forces which have already entered the election campaign."

With regards to the political situation in Russia on the eve of parliamentary elections, Chernomyrdin said the opposition had "some advantage." He said democratic forces were still split. However, Chernomyrdin said that the opposition's advantage was not "irreversible."

Chernomyrdin said he believed that none of radical-opposition forces had advanced "a convincing alternative" "tested in practice."

Chernomyrdin said the Russia Is Our Home ought to establish contacts with those of its competitors at the elections which were not the movement's "antagonists."

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He said that "under some conditions cooperation is possible both during the election campaign and in the State Duma." Chernomyrdin said he deemed it important not to estrange such forces from the Russia Is Our Home but to "transform them into allies."

In an answer to questions from the congress's delegates, Chernomyrdin said the key task for the Russia Is Our Home was to have elected to the State Duma a maximum of supporters of stability and the reforms and not to let those "who are dragging the country back, either to the recent Soviet past or to the epoch of the Russian empire" win the elections.

"The key political task is to consolidate politically and economically the policy which the country has been pursuing for the last two years" at the elections on December 17, Chernomyrdin concluded.

NDR Opposes Property Redistribution

LD0209100695 Moscow ITAR-TASS in English 0840 GMT 2 Sep 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, September 2 (ITAR-TASS) — The All-Russian political movement Russia Is Our Home (NDR) movement is basically against any redivision of property distributed as a result of privatisation, said here on Saturday NDR leader Viktor Chernomyrdin, Russian prime minister, who made the opening speech at the second stage of the second congress of the movement.

It is now being held at the Rossiya Concert Hall. The movement advocates private ownership of land and, in this connection, plans to initiate a referendum on this issue, the NDR leader stressed.

Chernomyrdin submitted the final version of the movement's draft programme which is to be approved by the congress today. The programme was already approved, as a whole, at the first stage of the congress.

The NDR leader stressed that the programme provides for all disputes to be settled only by courts of law. Since delegates heatedly discussed the present state of the Russian economy at the congress, a decision was taken to give an appraisal of the economy in a separate document and not to include it in the programme.

Special attention in the international section of the draft programme is given to settling the crisis in former Yugoslavia. The NDR leader favoured an immediate lifting of sanctions against Yugoslavia which, according to Chernomyrdin, observes all appropriate decisions of the United Nations.

Chernomyrdin specially stressed that the NDR programme is a realistic document and should be constantly improved. He told the congress that NDR regional branches actively participated in the discussion of the draft programme.

Further on Shakhray Withdrawal

MK0209114695 Moscow KOMMERSANT-DAILY in Russian 31 Aug 95 pp 1, 3

[Report by Natalya Arkhangelskaya: "Shakhray Leaves 'Our Home' Banging the Door"]

[FBIS Translated Text] Speaking at a press conference yesterday, Sergey Shakhray, deputy premier and leader of the Party of Russian Unity and Accord (PRES), said that he is leaving the "Russia Is Our Home" movement. So far he is only leaving the movement's council in "his personal capacity," but then will be ready to raise the question of leaving the bloc with the leading bodies and the party congress which, as is known, has affiliated with "Our Home" as a collective member. Shakhray stressed that he maintains his loyalty to the premier, which apparently means that he does not intend thus far to resign as deputy premier.

Shakhray cited his wish to preserve PRES as an independent organization as the main reason for his decision. This, in his view, is impossible with membership in "Our Home:" The movement, conceived as a broad coalition of democratic and centrist forces, "is turning, like a snowball, into a closed party with rigid structures," affiliation with which is tantamount to loss of identity. The deputy premier's second complaint is that the actual actions by the cabinet, headed by the movement's leader, sharply deviate from the proclaimed slogans of "Our Home:" The country has received neither effective local self-government nor civilized federalism. This can be seen from the draft budget for next year, which is the budget of a unitary state. The PRES proposal to hold, at the same time as the elections, a referendum on land — which would allow for an increase in voter turnout and address the main problem standing in the way of reform — was completely ignored.

Shakhray's action yesterday will hardly surprise anyone: It should have been expected. It will be recalled that the deputy premier is the author of the plan to create two large centrist blocs: therefore, he hoped that his party would occupy a worthy place in the movement. Moreover, the program of "Our Home," adopted at the second congress, was prepared by the PRES Analytical Group, led by Aleksandr Shokhin (who subsequently left the party). PRES, however, was not thanked for that and received no top places either on the central list or on regional lists.

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Many in the party leadership understood quickly enough that nothing good can be expected from "Our Home" and left the movement in early summer. Shakhray apparently had hope until the very last moment. The last drop that filled the cup to overflowing was a move by a representative of Bashkiria at the movement's second congress: The Bashkiria delegate demanded that the PRES leader be expelled from the "Our Home" leadership. It needs to be said that the ethnic republics took a strong dislike to the plans to governoratize [gubernizatisya] Russia, which Shakhray promulgated so rashly in the run-up to the elections. In response, the PRES leader accused Bashkiria President Rakhimov of nationalism and assisting illegal armed formations in Chechnya. The scuffle turned into a scandal, while Chernomyrdin refused to get involved in this dispute because the building of "Our Home" is proceeding much smoother in the republics that solemnly pledged themselves to ensure the premier's victory in the December elections.

Shakhray informed President Yeltsin about his decision to leave the movement's council immediately after a Security Council session in which both had taken part. According to information in KOMMERSANT-DAILY's possession, the president took cognizance of the deputy premier's statement but made no comment on it. Then Shakhray had a conversation with Chernomyrdin (to all appearances, at the latter's initiative), who treated the deputy premier's move not as philosophically as the president and expressed his displeasure.

Interestingly, Shakhray, according to well informed sources, had sought a meeting with the premier the entire past week, but without success. Then he managed to discuss his intention to leave the movement with Oleg Soskovets, Yeltsin's man, but also Chernomyrdin's deputy both in "Our Home" and in the government. Apparently he approved of Shakhray's decision. If this is really so, it could be confirmation of rumors that a directive has been issued from the president's inner circle to "fell" the premier, who has crossed the allowed limit in his political ascent. This version is also borne out by other events: for instance, the creation of a commission on the fuel and energy complex or the appointment as presidential representative to Chechnya of Oleg Lobov, the president's tried and trusted associate and an advocate of the use of force to resolve the conflict. If one considers that the premier, who has already suffered a blow to his fortunes from the banking crisis, still faces the test of getting the 1996 budget through the Duma, then one could agree with the experts who believe that Chernomyrdin risks losing the elections well before December.

As for PRES, chances are that it will approve of its leader's action — as evidenced by yesterday's decision by the party's federal council presidium. And then, Shakhray believes, PRES will have to make urgent preparations for the elections. True, little is left of the party that in 1993 polled more than 7 percent of the vote. But the night is still young, and some suitable partners could still be found for a bloc. This is corroborated by the keen interest shown in the PRES leader's statement yesterday by representatives of friendly parties.

PRES Upholds Decision To Quit NDR

LD0109211895 Moscow INTERFAX in English 1856 GMT 1 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 1 (INTERFAX) — The Federal Council of the Party of Russian Unity and Accord (PRES) on Friday upheld the decision taken by Sergey Shakhray, the PRES leader, to quit the Russia Is Our Home [NDR] movement. The council sent to the NDR ruling body a statement saying that PRES quits NDR "as a collective member."

Only three of over 40 regional PRES branches voted against the decision to quit NDR. According to Shakhray, the PRES statement will be discussed at an NDR Council meeting today in the evening.

"It was not easy to take the decision," since PRES was one of the founders of NDR and "spent much time working together," Shakhray told a news conference after the PRES Council meeting.

He said that his party is prepared to run for the State Duma independently, however an election bloc may be formed under the main PRES slogans of federalism and local government.

Shakhray would not name possible PRES allies. However he said that under the law on local government signed by the president on August 28 and coming into effect today, new elections of heads of local executive and legislative bodies must be held in Russia. "Many of the candidates at these elections will be among PRES supporters," said Shakhray.

To a question by INTERFAX on possible PRES allies in the future Duma, Shakhray said that PRES would cooperate with NDR, the Women of Russia movement and with "other forces favoring stable, gradual and consecutive development of the country."

At its Friday meeting the PRES Federal Council also approved the party's program and lists of candidates for the State Duma.

In addition, the meeting defined PRES tactics and strategy during the election campaign, said Shakhray, whose commission to hold negotiations with possible allies was confirmed.

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Rybkin Expelled From Agrarian Party

LD0409124295 Moscow ITAR-TASS in English 1211 GMT 4 Sep 95

[By Aleksey Filatov]

[FBIS Transcribed Text] MOSCOW September 4 (ITAR-TASS) — The leadership of the influential Agrarian party of Russia (APR) decided Monday to expel its ruling member and State Duma speaker Ivan Rybkin who has created his own left-centrist bloc for upcoming parliamentary elections to be held in December. However, the decision is yet to be approved by the congress of the party which opens Tuesday [5 September].

"Ivan Rybkin is to be considered as having lost connections with the Agrarian party and dismissed as member of the Central Council and of the ruling board of the APR", the plenum of the Agrarian party said in a typically communist-era style wording.

Chairman of the party Mikhail Lapshin said the APR hoped that Rybkin "would show realism and would bring many new supporters to the movement. However, instead, Rybkin began to act independently and inflicted detriment to the movement thus putting himself outside the Agrarian party". He was clearly referring to the left-centrist election bloc created by Rybkin.

The expulsion is yet to be okayed by the congress of the party which opens Tuesday. The congress is to approve the party ticket for the election. So far the list is topped by Lapshin, and also includes deputy premier Aleksandr Zaveryukha, Agriculture minister Aleksandr Nazarchuk and chairman of the Agrarian union Vasiliy Starodubtsev who was among the ringleaders of the foiled 1991 coup against former Soviet president Mikhail Gorbachev.

Rutskoy's 'Criminal' Links Criticized

MM0409120795 Moscow IZVESTIYA in Russian 2 Sep 95 p 2

[Report by Anatoliy Stepovoy: "'"Derzhava" Has Become a Social-Criminal Movement,' Recent Colleagues of Rutskoy Say"]

[FBIS Translated Text] Eight recent members of the "Derzhava" Social-Patriotic Movement, V. Aksyuchits, V. Alksnis, V. Antonov, M. Astafyev, M. Nazarov, N. Narochitskaya, V. Osipov, and A. Turik, have accused Aleksandr Rutskoy of ideological treachery, for placing the movement at the service of dubious businessmen with a criminal past.

As one of the five deputy leaders of "Derzhava" and chairman of the "All-Russian National Rightist Center" [Vserossiyskiy natsionalnyy pravyy tsentr], Mikhail Astafyev, told your IZVESTIYA correspondent, it is for this reason that the "entire patriotic wing" and also four deputies do not wish to remain in the movement's list. He explained that the holding of the congress had been kept secret even from many leaders of the movement, in breach of all the provisions of the statutes. As a result, M. Astafyev stressed, all the leading places in the list of candidate deputies had been occupied by totally unknown representatives of commercial structures. Moreover, the results of the vote had been crudely rigged.

Viktor Alksnis, another former leader of "Derzhava," was even more candid with your IZVESTIYA correspondent. He said that he had recently received threats of actual physical violence. Incidentally, although he was in the privileged part of the list, Alksnis did not agree with the method of holding the congress and accused the organizers of rigging the elections. In response to this, on leaving the movement's headquarters (located in the office of a commercial structure in Orlikovyy Lane), he was detained by the firm's security guards pending special instructions from their boss, A. Sidelnikov. During their conversation the businessman told Alksnis that "they have put so much money into Rutskoy that unless Alksnis keeps his mouth shut he is the one who will have to return the money."

Viktor Alksnis said that he intended to go the whole way and was prepared to provide the Central Electoral Commission with irrefutable proof of the falsification of the lists at the "Derzhava" congress, which, under present legislation, could mean three years in jail for the organizers.

Finally, one of Rutskoy's closest supporters, movie director Nikita Mikhalkov, had quit "Derzhava" earlier. The rumor in the Duma is that Mikhalkov now supports Chernomyrdin's NDR [Russia Is Our Home] and that he has been given a place in the top five in the new political idol's party list.

Rutskoy Withdraws Candidates

LD0109122695 Moscow INTERFAX in English 0947 GMT 1 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 1 (INTERFAX) — Former Russian vice-president Aleksandr Rutskoy, the leader of the Derzhava (Great Power) social patriotic movement, withdrew Friday the list of the movement's candidates from the Central Election Commission.

He told INTERFAX that he took this step to counter "the campaign of slander" launched by former members of Derzhava who were unhappy with the places they had on the list.

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Viktor Aksyuchits, chairman of the Russian Christian-Democratic Movement, Viktor Alksnis, former USSR MP, Mikhail Astafyev, chairman of the All-Russian Rightist Center and others have accused Rutskoy, among other things, of having "dubious businessmen with a criminal record" on the list.

Astafyev told INTERFAX that Rutskoy had "encumbered the list with commercial structures."

Rutskoy explained that numerous private companies that are the affiliations of the candidates are in fact former state-owned factories. The central part of the list, 12 names, includes just one businessman, Musa Idigov, who chairs the board of the Idigov-produkt company.

Rutskoy also rejected allegations that he had abandoned the Russian idea. He said that Russia is a multi-ethnic country which might be endangered by a split along ethnic lines and over-emphasis of the problems facing a particular people.

In his words, Derzhava will hold its third convention in Moscow on September 9 to review the lists of candidates.

Founding Member Leaves Yabloko

LD0309153095 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1400 GMT 3 Sep 95

[FBIS Translated Text] One of the founders of the YABloko movement, Yuriy Boldyrev, announced his departure from the organization in connection with the fact that he had "exhausted all the possibilities to defend his position," an Ekho Moskvy radio station correspondent reported.

"I cannot support with my name a force which, although it has not yet come to power and is in opposition to power, is already acting by its methods," Yuriy Boldyrev stated.

The stumbling block between the YABloko Duma parliamentary faction and Yuriy Boldyrev was contradictions in the draft law on dividing production which regulates the distribution of profit from the exploitation of natural resources.

YABloko leader Grigoriy Yavlinskiy said in reponse that he respects Boldyrev but noted that he could not agree with him, an Ekho Moskvy radio correspondent reports.

Mining Trade Union Joins Yabloko

MK0109124295 Moscow SEGODNYA in Russian 1 Sep 95 p 2

[Report by Viktor Khamrayev: "Mining and Metallurgical Trade Union Has Found Sympathizers. Grigoriy Yavlinskiy Has Promised Russia a Normal Economy by the End of the Century"]

[FBIS Translated Text] The "YABloko" movement received support from the Mining and Metallurgical Trade Union of Russia [MMTR] yesterday [31 August].

The MMTR, which unites workers of the mining, metallurgical, diamond- and gold-producing, and jewelry sectors, is probably the only independent trade union that has joined neither the Federation of Independent Trade Unions of Russia, nor the Confederation of Labor of Russia, nor any other trade union centers in this country. At the MMTR conference yesterday, its chairman, Boris Misnik, explained the reason why the MMTR is joining the election drive by the fact that "no full-bodied legislation in the field of labor and economy and in the social sphere can be developed without the participation of representatives of working people."

Mr. Misnik referred to the existing "public institutions" — the Russian Trilateral Commission and the Public Chamber affiliated with the Russian Federation president — as merely "decorative." He said that, for that reason, they "fail to take into due consideration the actual needs of employees and society at large in administrative decision-making." According to Mr. Misnik, a normal person "does not live in the sphere of big politics — he lives within the bounds of his family, shop, store, post office, bank, school, and, less commonly, in the domain of the police, courts, and civil registar's office." Therefore, the trade union leaders — after they get into the Duma — will strive "to ensure that people can live a normal human life" within these spheres.

Boris Misnik also noted that at present "the authorities are alienated from society" and are gaining "too great a profit from the existing inequality." At the same time, the trade union leader warned his companions against any attempts "to redistribute property by forcible means," and insisted that "changes in power and the legal domain should be evolutionary." This is precisely what is going to be the objective of trade union bosses' legislative efforts in the event they win the election. Mr. Misnik explains the decision to join the "YABloko" bloc by the fact that the election program of this bloc is closest to that of the MMTR.

Grigoriy Yavlinskiy, who attended the conference, emphasized that his bloc is the only one whose election program includes trade unions as a separate item. The

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"YABloko" leader explains this by the fact that trade unions will have "to determine the cost of labor and be responsible for the labor market." Without this, according to Yavlinskiy, no market economy is feasible.

The Duma faction leader said that, for the above reason, there should be "engineers, technicians, and skilled workers" in the representative branch. Mr. Yavlinskiy promised to include Boris Misnik, trade union leader, in "YABloko's" general federal slate. Regional parts of the slate will include regional trade union bosses and directors of some enterprises.

Speaking about the reason why "YABloko" has managed to attract only one of the numerous trade unions in Russia, Mr. Yavlinskiy told your SEGODNYA correspondent that "no union can be formed 'spontaneously' — I started to work with this trade union two years ago, before the 1993 election." "YABloko," however, certainly realizes that the mere fact of the trade union having joined it does not mean that all 2.5 million of its members will cast their votes for Yavlinskiy's bloc.

Answering numerous questions by conference delegates, Grigoriy Yavlinskiy characterized the political and economic situation in the country and said in conclusion that unless it changed, there would be no need to fight against its main opponent in the election drive — "Russia Is Our Home" — since, in the opinion of the democratic opposition leader, "they would do so themselves."

Speaking about various provisions of "YABloko's" election platform, the electoral bloc head reminded the MMTR leaders that Russia, which possesses 60 percent of the world's natural resources, is capable of solving all of its problems on its own. In this connection, Mr. Yavlinskiy promised that his bloc will do its best for Russia to have a normal economy by the end of this century.

Incidentally, 1,582 days are left before the year 2000.

Socialists Join CRC Association

MK0209070695 Moscow SEGODNYA in Russian 1 Sep 95 p 2

[Report by Gleb Cherkasov: "Socialist Party Will Run in the Elections on Slate of the Congress of Russian Communities. Lyudmila Vartazarova Is Confident That Socialists Will Keep Their Independence Intact"]

[FBIS Translated Text] The Socialist Party of Working People [SPWP] will run in the elections within the framework of the "Congress of Russian Communities" electoral association [CRC], it was decided by the party's Fifth Congress, held yesterday.

Lyudmila Vartazarova, the socialists' leader, said in addressing her colleagues that the SPWP envisions three options for its electoral tactics: promoting an independent list of candidates; striking a broad, center-left oriented coalition with ideologically like-minded associations; and, finally, participating in the parliamentary election jointly with its old allies: the Federation of Commodity Producers, trade unions, and associations of women's organizations, forming together with the SPWP the center-left core of the "Congress of Russian Communities" electoral association. Mrs. Vartazarova perceives an alliance with the CRC as the most favorable for the socialists, since "all organizations having a bearing on the left center have dispersed somewhere," whereas an independent bid for the election, despite a number of positive aspects to it, would not secure deputies' mandates.

The SPWP candidates are supposed to be included in the CRC lists. Lyudmila Vartazarova, de facto chief of the CRC canvassing headquarters, will be entered in the top portion of the Congress's central list. Furthermore, activists are accorded permission to run in single-seat constituencies as part of other opposition electoral associations, or as independent candidates. The socialists' leader emphasized that an electoral merger of the SPWP with the CRC by no means signifies the party's dissolution into the Congress. "The party's annihilation is unacceptable, both for business and emotional reasons," said Lyudmila Vartazarova. The party's leader did not deny the possibility of a Duma socialist faction being formed in the event of a successful performance in the election.

The electoral lists of the Congress of Russian Communities will be approved at a CRC conference scheduled for 2-3 September. The event will be closed to the media, though it has already become transparent that topping the list will be Yuriy Skokov, with the second place being assigned to Aleksandr Lebed, and the third — either to Sergey Glazyev, chairman of the Duma Committee for Economic Policy, or Lyudmila Vartazarova. Moreover, places in the central portion of the list will likely be offered to Dmitriy Rogozin and Sergey Burkov, chairman of the Duma Committee for Privatization.

Chances are that the CRC, or to be more precise, the DPR [Democratic Party of Russia] breakaway part that followed Mr. Glazyev to unite under Mr. Skokov's banner, will somewhat grow in number, as Svyatoslav Fedorov, who had intended to align himself with the other, (Govorukhin) DPR faction, opted to decline the DPR's services.

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The CRC's conference was within a hair's breadth of being thwarted, since all telephones in the Moscow headquarters of the Congress went dead for almost 24 hours, returning to operation only after the CRC spokespersons had some "high words" with the telephone authorities.

Muslims Union Elects New Leader

LD0309171495 Moscow INTERFAX in English 1603 GMT 3 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 3 (INTERFAX) — The first congress of the Russian Moslems' Union (RMU) ended in Moscow Sunday instead of Saturday as planned earlier. (The RMU had been registered with the Russian Justice Ministry on June 16, 1995 — IF note).

The congress took most of the time to elect its working bodies and leaders. As a result, the movement's General Council elected as its head the 35-year-old head of the Povolzhye Moslem Spiritual Department, Imam Khatyb Mukaddas Bibarsov.

Shamil Beno, who headed Chechnya's Foreign Ministry in 1991-1992 in Dzhokhar Dudayev's government, offered himself for the post, but his attempt failed.

Nor did find support the former RMU secretary general, Akhmed Khalitov. The congress blamed him for having only suspended his membership in the Liberal Democratic Party of Russia that he said he "created together with Vladimir Zhirinovskiy."

The RMU congress adopted its program guidelines saying it is a direct successor of "the first mundane Moslem organization" of the same name which existed in Russia in 1905 through 1917 and had its own faction in parliament.

The RMU will take part in the future parliamentary elections counting for support by Russia's 20 million Moslems.

The union supports "a socially-oriented economy based on private and state, municipal and other kinds of property, economic reforms in the interests of most citizens of the country rather in those of a small minority."

According to the guidelines, the RMU will seek the federal authorities implement a federal investment program in Moslem-populated regions and protect the interests of Moslem businessmen on all levels.

In foreign policy, the RMU will "focus its efforts on developing comprehensive relations with Moslem countries, at the same time considering Russia's interests." The union intends to attract their funds, organizational and technical resources, first of all to its Moslem regions.

'For Fatherland' Names Candidates

LD0309204995 Moscow Radio Rossii Network in Russian 2000 GMT 3 Sep 95

[FBIS Translated Text] Vladimir Polevanov, the former head of the State Committee for Management of State Property, Yevgeniy Podkolzin, the commander of Russia's Airborne Troops, and Dmitriy Starodubtsev, a member of the Agrarian Party of Russia from Yaroslavl Region, top the federal list of the new For Fatherland [Za Rodinu] electoral bloc. The federal list of the bloc's candidates and single constituency lists were approved at the bloc's founding congress on Sunday.

Gaydar, Yakovlev, Form Bloc

MK0509055595 Moscow OBSHCHAYA GAZETA in Russian No 35, 31 Aug-6 Sep 95 (Signed to press 30 Aug) p 9

[Unattributed report: "Russia's Democratic Choice — United Democrats"]

[FBIS Translated Text] The Russia's Democratic Choice — United Democrats election bloc was formed on 26 August 1995. The bloc is comprised of the Russia's Democratic Choice party, the Russian Party of Social Democracy, the Peasant Party of Russia, and the Russian Congress of National Associations, as well as the Women for Solidarity and the Military for Democracy interregional organizations.

The Russia's Democratic Choice [RDC] party was created on 12 June 1994; it has 76 regional organizations; its membership, according to party statistics, is about 5,000. The party leader is State Duma Deputy Yegor Gaydar. In the 1993 election, the Russia's Choice movement, on whose basis the RDC was created, received 15.5 percent of the votes in the federal constituency.

The Russian Party of Social Democracy was formed on 18-19 February of this year. At the time of registration, it had 46 regional organizations; no data regarding party membership are available. The leader is Aleksandr Yakovlev.

The Peasant Party of Russia emerged in early 1990. According to the party leadership, it has a membership of 4,000 and more than 50 regional organizations. The leader is Yuriy Chernichenko, member of the Federation Council.

The Russian Congress of National Associations was created about a year ago; it incorporates some 20 organizations representing ethnic groups living in Russian ter-

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ritory as diasporas. The leader is Aleksandr Rudenko-Desnyak.

The bloc's motto: Peace, prosperity, justice.

The first 12 candidates on the Russia's Democratic Choice — United Democrats federal list: Ye.T. Gaydar, S.A. Kovalev, L.N. Fedoseyeva-Shukshina, E.A. Vorobyev, B.A. Zolotukhin, A.N. Yakovlev, V.I. Tatarchuk, Yu.D. Chernichenko, A.P. Pochinok, A.A. Rudenko-Desnyak, G.A. Tomchin, and A.A. Osovtsov.

Republican Leaders Form 'PGL' Bloc

LD0309171995 Moscow INTERFAX in English 1603 GMT 3 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 3 (INTERFAX) — A new election bloc has been formed in Moscow. An INTERFAX correspondent reports that the decision to form the bloc, dubbed "Pamfilova — Gurov — Lysenko [PGL]" (Republican Party of the Russian Federation [RPRF]), was taken at an RPRF congress Sunday.

Over 200 delegates from 64 RPRF regional branches took part in the congress.

Speaking at the congress, Vladimir Lysenko, RPRF leader and one of the heads of the new bloc, said that the bloc's program is based on the "constructive opposition to the present government."

Lysenko also said that the PGL bloc is prepared to closely cooperate with other democratic parties, in particular with Russia's Democratic Choice.

He called the Russia Is Our Home [NDR] bloc PGL's main opponent. Lysenko characterized NDR's actions as aimed at "the monopolization of power by state bodies." PGL political views also differ from those of the Communists and other leftists as well as of national-patriotic forces, he said.

According to Lysenko, the PGL bloc has a strong financial base, good cadres "and a constructive political platform for the successful participation in the parliamentary elections."

Ella Pamfilova, former Russian social security minister, expressed the confidence that the bloc will be a success.

"Ensuring social security for the population on the basis of the market relations, without going back" to the Soviet times is the distinguishing feature of the PGL program, she said.

Aleksander Gurov, former Interior Ministry and KGB general who headed the Soviet Interior Ministry Department for Fight Against Organized Crime in 1989-1991, told the RPRF congress that he views the State Duma as a springboard for jumping to power "because this is the only way to establish law and order in the country."

Under a congress resolution, Pamfilova, Lysenko and Gurov will be at the top of the bloc's list of candidates for the State Duma.

In addition, the RPRF congress decided to merge with the Russian Committee of Soldiers' Mothers.

There are 137 candidates for the Duma from 34 Russian regions on the PGL list.

The congress approved the bloc's political program which is based on the principles of "well-being, personal security, equality of everyone before the law" and humanitarian orientation of the reforms. PGL also puts special emphasis on the social security for all, especially for the needy Russians.

'People' Movement Formed

LD0409212695 Moscow Russian Television Network in Russian 1900 GMT 4 Sep 95

[From the "Vesti" newscast]

[FBIS Translated Text] Another aspirant to the love of the Russian electors has appeared on the political horizon — the Russian National Movement [Rossiyskoye Obshchenarodnoye Dvizheniye], People [Narod] for short.

[Correspondent L. Mutovkin] Its supporters held its second All-Russia congress in Omsk. The main target that its representatives have set themselves is the revival of the motherland on the basis of the direct interest of each nation in the development of national traditions, the strengthening of faith, and of customs.

At present the regional branch of the People has 7,000 people. All in all 12 million people are ready to support this movement in Russia, first of all representatives of the military-industrial complex.

So here is the All-Russia congress in the middle of mother Siberia. Naturally the question arises in this connection — why not in Moscow or St. Petersburg?

[Begin V. Moshnakov recording, co-chairman of the Coordination Council of the Russian National Movement] The fact is that the basis for the Russian National movement was the movement for the revival of the Cossack movement. We decided that Omsk soil, and in general Siberian soil, was, well, a good enough land for the birth of a normal people's movement that was capable of improving, if not more, the sociopolitical situation in our country. [end recording] [video shows first a religious procession, then the session of the congress and Moshnakov being interviewed]

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'Secrecy' of CRC Congress Viewed

MM0109142795 Moscow IZVESTIYA in Russian 2 Sep 95 p 2

[Report by Vadim Gorlachev: "Lebed and Skokov Hold Secret Congress"]

[FBIS Translated Text] All the signs are that the Congress of Russian Communities [CRC] Congress which opens 2 September will be held in the strictest secrecy.

We have learned that currently the CRC leaders are making the utmost effort to block all possible leaks of internal information. In this connection an unprecedented decision has been made -- the television and the press will not be admitted to the congress. The doors will also remain closed to all kinds of delegations from friendly parties, various special guests, and other visitors. Intensive security measures are also planned. Thus, for example, no fewer than 300 security guards will be used. And Skokov's men, whom the former Security Council secretary virtually hand-picked from elite Federal Security Service [FSB] and MVD [Ministry of Internal Affairs] structures, will be supplemented on this occasion by former "Alfa" members — the Association of "A" Anti-terrorist Group Veterans headed by its former commander Sergey Goncharov recently joined the CRC.

In the opinion of certain experts, all these top-secret measures have been undertaken by the CRC leadership with one aim — to prevent any wide coverage of the friction which could emerge at the congress between the movement's leaders (Lebed, Skokov, and Rogozin). In principle this theory is plausible, since powers have not yet been finally distributed between them. Moreover, each one could quite easily stake a claim to their own independent place in the sun — Lebed has the Army and the unpredictable people's masses behind him, Skokov has the military-industrial complex behind him, and Rogozin has Russian communities abroad and the ambitions of a young politician.

But all the events preceding the congress cast a certain amount of doubt on this theory. For instance, Skokov and Lebed have in recent months repeatedly demonstrated their firm friendship and rare unanimity to the people. In public, at any rate. They have traveled together to St. Petersburg and Krasnodar and spoken at plants, institutes, and military units. And they complement each other uniquely — the presence of the cautious Skokov neutralizes Lebed's peasant-like energy.

For his part, the former army commander seems to help the former Security Council secretary look more courageous and his own man — a kind of leader with a human face. Thus, Skokov makes the down-to-earth Lebed more acceptable to the scientific and industrial elite, while the general, conversely, makes the refined apparatchik play well to a popular audience.

As for Rogozin, he also will probably not take any abrupt independent steps. Once again out of a sense of self-preservation — he feels relatively secure surrounded by experienced and battle-hardened senior comrades.

So why the secrecy surrounding the CRC Congress? Quite clearly, it is to protect ordinary questions of election campaign strategy and tactics, which the CRC leaders want to keep secret from their opponents for the time being.

Gaydar Answers Questions on Elections

954F3262A Moscow KURANTY in Russian 25 Aug 95 p 4

[Readers' questions to Yegor Gaydar, under the "Face to Face" rubric: "Prudent Choice"]

[FBIS Translated Text] "Face to Face" is a new KURANTY election column. We give the leaders of democratic parties and associations of center movements declaring their commitment to reforms a forum here for answers to readers' questions. Let the reader himself judge how cogent the response and how sincere the leader and whether he tries to gloss over rough edges or not. And make a prudent choice.

[Reader] You have already made a "successful" attempt to pull the country apart. What is your purpose at the elections now?

[Gaydar] I disagree with this assessment. I would remind you of the state the country was in when I was appointed prime minister. The first documents with which I familiarized myself were as follows:

From the chairman of the Mezhkombank: Currency reserves are completely exhausted—no foreign exchange on account.

From the chairman of the State Committee for Precious Metals: The gold reserves have been squandered (of the 1,300 tonnes of gold which the Bolsheviks inherited from the tsar and which were still there in 1985, four-fifths had been dissipated in the last six years, and paltry remnants were left. Some 471 tonnes of gold were taken out of the country in 1990 alone).

From the chairman of the Vneshekonombank: The country is insolvent and cannot service the external debt.

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From the Food Committee: The country has sufficient grain reserves merely until February 1992 (and this with a 20 percent reduction in the level of consumption).

From the Trade Committee—to the effect that practically everywhere the ration cards were not being redeemed and that there were huge interruptions in the food supply throughout the country. Supplies had caved in and were virtually nonexistent. Some regions had just two, three, or four days' worth of food resources left (I would remind you that disturbances on account of the nonredemption of the ration cards and the "tobacco riots" had already begun).

From the State Committee for Material and Technical Supply—to the effect that zero percent of contracts had been concluded for the following year. Consequently, the entire system of administrative regulation would be inoperative.

I am forced to remind you of this because some people have already easily forgotten, as though none of this happened to us, as though they did not stand in these lines, occupying them from the early hours, as though they were not thinking about how to feed the baby because infant formula could not be bought.

And in this situation of extreme crisis, when the old system had hopelessly collapsed, a new system had to be launched as quickly as possible, without preparation. Inadequate, admittedly, but operating at least after some fashion and making it possible to ensure that people had a chance to buy bread. So that at least some food appeared in the stores. So that we could rid ourselves of these enormous, depressingly hopeless lines. So that the preconditions for new economic growth in Russia could be created.

I am convinced that in this situation, had we not ventured to assume the responsibility and begin the reforms, Russia would have been in danger of inevitable collapse. This would have ended in serious, veritable starvation as of February 1993. And I am proud that we managed to prevent this. Under the conditions of the catastrophic collapse to which the astonishing incapacity of the last communist leadership to streamline socialism if only to some extent had led, reforms were difficult. Having been started, they failed to receive sufficient political support, and it was for this reason that they proved abortive.

As a result, the reality which neither you nor we like has come about today.

We are taking part in the elections this time to ensure that the capitalism which has taken shape in Russia today become civilized and more fitted to a normal life.

[Reader] You took Russia for a racehorse and had it reared up. Then you took off, but Russia continues poised on its hind legs.

[Gaydar] What can I respond to this? I would not say that I took off. I had the feeling, to be honest, that I was being shown the door. I attempted to work for as long as this was possible and left in December 1992, inasmuch as I hoped that this would help us avoid the appalling crisis of Russian statehood which, for all that, actually erupted in October 1993. It could be seen in 1992, even, that the confrontation of the powers, executive and legislative, had approached a dangerous mark. It was for this reason that I was a sponsor of a constitutional agreement between the president, the government, the Supreme Soviet, and the Constitutional Court. The essence of this agreement was that I would resign and that the opposition would get a new prime minister, but in exchange for this there would be without bloodshed and tanks a referendum on the Constitution, and work in tranquillity would continue.

If you recall, the communists and nationalists readily sealed the pact with a handshake and solemnly applauded it in the Kremlin Palace, and then, when they had gotten what they wanted, they decided that they could not fulfill their part of the agreement.

[Reader] Did you see these manifestations of today's reality at the start of the reforms that you pursued?

[Gaydar] It is awkward having to excuse yourself for that for which you are not to blame. At the Congress of People's Deputies right on the eve of my resignation, I said in my speech: If we attempt to leave the narrow path that will lead us to a growing market economy, we will inevitably end up in a situation in which there is a combination of high inflation, growing social differentiation, the pauperization of the lowest strata of the middle class, and a continuing fall in production.

I am not today celebrating the fact that my warning has come to pass, that I foresaw all this. It is painful to me that this is what has happened. In the countries in which our friends had an opportunity to realize the program that we formulated, there is already a growing economy. Inflation there is low, the differentiation of personal income is declining, and so forth.

Can the situation that has come about today be changed? Yes. The present government has already given itself sufficient headaches, having dashed about between different, mutually contradictory strategies. These include the maladroit attempt to build a "market without a bazaar," having frozen prices and pumped money into the economy, when, at the end of 1992, more credit was taken out at the Central Bank in two weeks than we

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had taken out in the previous eleven and a half months. There was then a gradual transition to a policy of financial restraint. This was followed by the prime minister's expansive promises concerning support for production and the pumping of money into it. An attempt was made to slow down inflation in the fall of 1993. Once again talk about nonmonetary methods of combating inflation and a new injection of money. There was no economic growth with these rate fluctuations, of course, nor could there have been.

There has now been somewhat of a change in the situation, it seems. The government has finally understood that it's no use beating your head against a brick wall. It is now taking a path which affords chances of success. It is a pity merely that it is now no longer 1992 but 1995 and that so much time has been lost. I do not unconditionally approve of everything in the current economic policy but, I repeat, chances of success have today emerged. Were another industrial manager to take the present prime minister's place today, he would repeat all the mistakes that Chernomyrdin has already made. But our prime minister has, thank God, already been through this school. It seems to me that the president also has finally recognized that the tactics of the generous distribution of privileges and money, which seemed to him a guarantee of popularity, do not add to one's popularity and are, in addition, harmful economically and politically.

[Reader] To what extent is the accession to power of the communists and fascists possible?

[Gaydar] The accession to power of the fascists and communists is possible. We should not close our eyes to this. If we are passive and they avail themselves of public discontent, play on this, and pull the waverers over to their side, this will be highly tragic for Russia. This will be one further appalling catastrophe for Russia this century, which will hardly leave us a chance of a normal life in the 21st century.

[Reader] Do you not have the feeling that the oblasts do not at this time fully trust the center and are gradually beginning to move away from Moscow? Or do you believe that Moscow is, as before, Russia's sole stronghold?

[Gaydar] The situation has changed repeatedly in the past four years. The end of 1991—clear and very dangerous destructive trends toward decentralization with the utmost weakening of the federal authorities. The advantages of the all-Russian market and the convertible ruble became clear as of the start of 1992. A sense of gradual prudent recentralization appeared.

But the Chechen events have struck a blow at real federation and at the centripetal tendencies. First, a center that undertakes such operations is an unpredictable center. There is, accordingly, a desire to remain as aloof from it as possible. If Groznyy is bombed, why might this not be repeated in another region? Second, the center is sending conscripts to an unpopular war. Third, the center is demanding money for all this, and so forth. So "restoring constitutional order" in Chechnya was not a measure strengthening the actual Federation but, on the contrary, a cause of a serious weakening of it.

It is for this reason that we are for the unity of Russia, that we greatly feared the appalling, devastating consequences of the Chechen conflict, and that we were always categorically opposed to a power solution.

[Reader] What do the workers do at a time of bankruptcy?

[Gaydar] Bankruptcy is not directed against the workers. An enterprise's management is removed from its administration at a time of bankruptcy. It is management that usually makes every effort to intimidate the work force. The state may allocate this enterprise funds, but a bankrupt director may under no circumstances remain at the head of the bankrupt enterprise. Even in the event of the bankruptcy procedure being carried through to the end, to the dissolution of the enterprise, the state will look after the workers. A work force only benefits from the removal of a bankrupt director, the workers have a chance here.

[Reader] "Ethics" and "politics" as you understand them?

[Gaydar] The story that politics cannot be moral is widespread. In my view, it was thought up by people who wish to make their life easier, as it were. Since it cannot be moral, they say, what's there to be ashamed of.... I am profoundly convinced that, like any other type of activity, it is both moral and immoral.

[Reader] Your view of the association of the republics on a new, voluntary basis?

[Gaydar] History has shown that no unity can be secured or preserved for any length of time by force. All empires have collapsed. Bismarck did not unite Europe by the bayonet, Hitler did not unite it with tanks. But the Coal and Steel Community helped unification.

The republics of the former Union also could in just the same way be united on interest in a working ruble.

But I am opposed to political intrigues in this sphere, I am opposed to the complex problems of these republics being resolved at the expense of the Russian taxpayer.

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I by no means consider that we have it so good that we can allow ourselves to heap extra problems on our shoulders. Nor is this necessary for integration.

[Reader] All that you say is prudent, seemingly, but you could once again lose at the elections. Why did you lose last time?

[Gaydar] We will try to show our position and to be intelligible. I had never previously been involved in politics, you understand, only economics. I was director of the Economic Policy Institute. We studied the processes occurring in the economy, made an analysis, and provided expert evaluations of projects. And I was appointed prime minister as an economist, not because of my fascinating speeches. Perhaps what I said was complicated, and I was unable to make myself clear. I am learning how to show the truth in intelligible fashion.

[Reader] How candid are you?

[Gaydar] I try to be candid. I never tell an untruth, although I cannot always tell you the whole truth. As a former prime minister, say, I know some things that I cannot reveal lest I harm my country's security. But within this framework I always attempt to be candid.

Academy of Sciences 'Secret' Departments Examined

954F3197A Moscow ARGUMENTY I FAKTY in Russian Aug 95 No 34, p 16

[Untitled, unattributed commentary on the subject of classified information]

[FBIS Translated Text] "I am curious as to whether 'Departments One'—the so-called secret keepers—have been abolished in the Russian Academy of Sciences [RAN] system. And if not, what is their job now?—A. Losev, Pskov"

Security departments are still a part of the RAN research institutes, but their functions have changed considerably. Their main job is still the same—classified correspondence and safekeeping of classified documents—information protection. The classification system for different types of documents has been revised over the past few years. For instance, topographical maps with a resolution of less than half a kilometer are considered classified. In the past, this designation included resolution almost up to 3 km. In the past, security departments were subordinated to the notorious Administration for Protection of State Secrets. Everything printed in our country had to be cleared by censors in this administration, closely affiliated with the KGB. Since it was abolished, security departments have used for guidance only the RAN's own internal regulations. They are subordinate to the RAN's presidium. Purging itself of the overkill of the past and unnecessary censorship, the RAN has liquidated security departments in a number of research institutes, mainly in the humanities. The need for them still exists, however—our scientists still have things to keep away from foreign eyes, and there is a lot of research that needs protection in the interests of the state. As to continual rumors of security departments' interference in the institutes' internal life, they are just that—rumors.

Media Issues

Yeltsin Addresses Forum on Media Issues

LD0109220495 Moscow Russian Television Network in Russian 1730 GMT 1 Sep 95

[Address by President Boris Yeltsin at Democratic Press Forum in Moscow on 1 September — recorded]

[FBIS Translated Text] I congratulate you on a big event in the life of the Russian media. I believe the Democratic Press Forum will become such an event. I attach great importance to the fact that colleagues of Russian journalists from the CIS, Baltics, and a number of European countries are present in this audience and are taking part in the forum. This means journalistic solidarity is not simply high-flown words but a reality. I would like to see relations between colleagues in the Commonwealth as being particularly close. The journalists who have united in a confederation can set a good example of this.

I have no doubt that your clear position in favor of preserving a single information space in the CIS will be an important signal for the state leaders in our countries. It will be a weighty argument in favor of strengthening the Commonwealth of Independent States. The Russian media are experiencing great difficulties. It is impossible to confront them single-handedly. I hope you will be able to work out a constructive position on the most important and acute problems.

The Russian state and public have a vital interest in a strong, professional, and truly free mass media. One of the main factors in this respect is consistent implementation of the constitutional principle of media freedom. This principle entails noninterference by the state in the professional activities of journalists, and the right of journalists to set out their points of view on events. The state has a duty to uphold this right. Media freedom entails the right of citizens to seek out, obtain, and distribute information. Media freedom is the guarantee of journalists and editors' independence. I repeat all of this mainly because these constitutional principles are now being crudely violated.

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It has to be admitted that there exists a growing gulf between the legally enshrined freedom of the media and its de-facto observance. Such is the reality of the media's position at present. I bow my head in memory of Dmitriy Kholodov, Vladislav Listyev, Natalya Alyakina, and other journalists who fell victim to terrorism, criminals, and armed conflict.

New instances of discrimination against journalists come to light nearly every week. Their access to information of public importance is being restricted. Journalists are coming under pressure. Some of them are subjected to crude insults from representatives of the authorities for publishing critical reports.

In a number of regions of the country, editors-in-chief and television and radio company directors have been sacked on the unlawful orders of the authorities for carrying critical reports. There are numerous instances of noncompliant publications being closed down or subjected to economic pressure. Many resounding and threatening noises have been made to the effect that this is unacceptable. It is time to call a spade a spade — such actions should be regarded as nothing else but criminal.

I ask this question of the state authorities responsible: Why is it that in 1994, there was only one instance of criminal charges being brought for obstructing the work of journalists? And only three instances in 1995? I am sure that the entire Russian journalistic community would like to ask this as well.

I fully share journalists and the public's anxiety over the drafting of the new criminal code. The first version of the criminal code has already been passed by the lower chamber. But it contains not a single clause about journalists. This is an omission by our members of parliament and state. I have not yet signed the code or the law, and I will not sign it in its present form. It is an omission by our members of parliament and a demonstration of their refusal to accept freedom of the media and for journalists. I, as president, will certainly take the necessary steps.

The concealing by state bodies of information of importance to the public is a very serious problem. In the past few years press centers, public relations centers, and other structures have been set up by state bodies and departments. Their main task is to ensure that the state bodies communicate with the mass media. In reality it happens the other way around when they are turned into a barrier put up between the state bodies and the press and when they are involved in only giving partial information, distorting facts, and taking on the role of central state bodies. This is inadmissible. The responsibility of state bodies is to disseminate reliable and objective information of public importance to the citizens as stipulated, in particular, by the edict on additional guarantees to the right of citizens to information. I would like to remind you and those officials who have forgotten about this responsibility that such an edict does exist.

I would also like to remind you of another thing: The principle of the direct implementation of the Constitution applies not only to the freedom of mass media. To the same degree this applies to the territorial integrity of Russia, the protection of the rights and freedoms of citizens, and the restoration of constitutional order. The so-called double standards have no right to exist in any constitutional system of regulation.

Could I ask you to remember about this all the time, to weigh every word and to distinguish between facts and opinions, analysis and emotions? Most importantly, distinguish between the interests of Russia and the interests of various political forces.

I cannot ignore another matter: abuses of the freedom of the media. They do happen, you know. I think the journalists' community should closely focus on such abuses. The media law of the Russian Federation does not allow publications that call for violence; kindle social, ethnic, or religious differences; or are aimed at changing the integrity of the state using violence.

I cannot give you the names but some publications have embarked on a path of gross violations of this ban. I will be straight with you: The Russian prosecutor's office either does not see such instances or simply covers up those who systematically violate this law. This approach discredits the principle of a free media. It is aimed against democracy. It has nothing in common with the president's political line.

I would like to stress that political and ideological pluralism is one of the most important constitutional achievements in Russia and it must be protected. When chauvinism and xenophobia do not meet with a rebuff, the fate of pluralism is doomed. The reason I am saying all this is because attempts are not abating to revive, in one form or another, a somewhat single state ideology and, hence, stifle the freedom of the media.

A key question facing the overwhelming majority of the Russian media is financial difficulties. The increased costs of printing services and circulation of publications have made subscriptions unaffordable to many people in Russia. As a result, the central press has been all but forced out of the regions. The central newspapers, which once had circulations of many millions, are being turned into publications whose influence barely extends beyond the environs of Moscow. This is a serious problem. The state is in effect being deprived of an important

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conduit for accurate information that is vital to society. Millions of people who were used to receiving their central newspaper every day are now losing this source of news.

Financial difficulties led to the shutdown of NEZAVISIMAYA GAZETA. The newspaper KURANTY failed to appear for a while. LITERATURNAYA GAZETA is under threat of closure, so is KULTURA. Regional newspapers are especially hard hit by the lack of support. State subsidies for sociopolitical publications were halted in April under the 1995 budget law. This move does, of course, conform with the market economy and bolster the real independence of the press. However, I still think that the press cannot get by without state help for the time being, during the transitional period.

The newspapers are suffering not because of the market but because of monopolism. Any monopoly by state bodies is especially unacceptable. This applies above all to the Ministry of Communications. This is the only explanation for the amazing fact that subscribers now pay 20 times more to have their newspapers delivered than they do for the newspapers themselves. I think that the government is able to resolve this problem.

We must not abandon publications that have helped the country undertake the reforms, nor let them be consigned to oblivion. There are other problems also faced by the media in Russia.

From what has been said, and from what you undoubtedly will say in the future, I think it is true that the situation cannot be changed by isolated and random measures. The fundamental issue is one of drawing up and putting into practice a national media policy, which should ensure full access for journalists to all information about society and strong support and protection for journalists by the state.

The most important element of a state media policy, as I said earlier, should be to fight monopolism of the media and of the means of their production and distribution. This is a task of fundamental importance: the creation of a media market. We will be able to say that it has been achieved when the solvency of each publication is determined solely by its content and its journalistic quality. We need to bring in numerous legislative acts on the media. At the moment there are at least 16 such laws. I am sure that at best even professional lawyers understand only half of them. We need to ensure openness of information about state authorities. Naturally, it will not be easy to do this. The traditions of our secret society are too strong, but we should gradually change this situation. After all, we have opened up 20 closed towns in Russia. So we need to open up at least most of the secret archives of the Central Committee, and general archives. We need to open up information.

I sometimes hear that media freedom poses a threat to Russian statehood. In fact, it is state authorities and others committing unlawful actions that feel under threat from open media coverage. There is no danger for society or the Russian state, only benefit. The authorities are not only to blame for, but also suffer from a lack of efficiency. This is to the detriment of us all. I think that every step taken to remedy this situation is a step to open mass media and a step to greater openness. I think that it will help to create a media policy council, answerable to the president. This council could include the president's press secretary; the head of the presidential staff; authoritative journalists and media managers; and representatives of the legislature, executive, and public organizations. This council could work on the strategic issues of how to organize the media's activities. It could coordinate state policy toward the media but not, of course, dictate its ideas and suggestions to the media.

I support the idea of setting up news hotlines for journalists. This would allow you to obtain ready-made information from the state at any time, instead of hunting for it as if it were a product in short supply. The president's press secretary should have a direct and open line, on which he could be called at any time with any question: Where is the president today? What is he doing? What is he up to? What is the situation in Yugoslavia? And so on and so on. [applause]

That of course is not in the text. It has only just occurred to me, as often happens! [laughter and applause]. So, those members of the presidential staff who are present — take note. The hotline has to be manned by someone who has the information, or his deputy, or someone who can answer journalists' questions about hot news.

There is also the long-standing issue of making more government information available. It should be supplied to the public free of charge or for a minimal fee.

There is another issue about which I must speak. The authorities in Russia are on the threshold of an election campaign. That campaign is bound to heat up. The mass media will undoubtedly become one of the central fixtures of the election campaign.

I am currently meeting leaders of parties and movements and blocs and so on, irrespective of their point of view. Because the president is the guarantor of the Constitution, and the Constitution gives equal rights to all to campaign for the election and take part in elections, there cannot be a situation in which the president gives support and succor to some and not to others. No, I will support and uphold those

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whose policies are, first, directed toward democracy and reform. Second, directed toward social safeguards for the citizens of Russia. Third, directed toward those issues that are within the sphere of interest of the president and the mainstream parties, movements, and blocs. Extremists should not be supported, and I would also ask the media not to support them and those whose manifestos contain anticonstitutional slogans and principles. They are simply not acceptable.

There is another problem. The election campaign is to start soon and, no doubt, you will certainly play a major role in it. But irrespective of who a media organ may support or what position a journalist may hold, in my opinion, the attitude to opponents should be tactful and honest.

I remember — you may also remember — during the elections to the Supreme Soviet I had a meeting on television with ZIL General Director Yevgeniy Bragov — it was the last meeting. Prior to it, we were slamming each other, well, things were reaching a point when, as now, we were almost throwing glasses with juice or vodka in each other's face. [reference to recent incident when Vladimir Zhirinovskiy, leader of the Liberal Democratic Party of Russia, threw an orange juice at his political opponent during a live television program] We had agreed with him beforehand that he would talk about his problems, his grievances, his program, and his intentions and I would talk about mine; I would not say a word against him and he would not say a word against me. We shook hands and sat down at a table in front of television cameras and that was how we had our meeting. So it is possible for opponents to behave themselves, to be ethical and polite to each other. Otherwise, things have now reached a point where deputies are punching each other in the face at the State Duma. At the same time, they are proclaiming: Down with crime!

Okay, fine, come on up to the microphone then, find it and take it away from here. Do we need to turn an election campaign into a battle of the gladiators or, rather, a dogfight? Think about what has to be done to put an end to the distortion of facts, insulting opponents, discrediting views, and off-the-record comments in the media. The Central Electoral Commission has issued its guidelines, and many of them are quite justified. I hope that the commission will carefully uphold them.

At the same time, it will take more than guidelines to remove the dishonest and the liars, who will find their outlets. I hope that journalists will display the utmost responsibility when reporting on the election campaign.

Esteemed participants in this forum! I consider it one of my important duties to strengthen the real freedom of information. Today the slogan more democracy and freedom has much in common with your professional cries of more accurate information and quicker, including state importance. I think this should create a solid foundation for permanent cooperation between us. Nobody should hinder the cause of governance in Russia of a democratic society. Nobody here is doing that. Democratic values in society do not contradict the interests of the state. Here the press has an important role to play, in that democracy must establish itself forever on Russian soil.

I would like to congratulate you, esteemed journalists, on the opening of this Democratic Press Forum and wish you success. Thank you. [applause]

Military & Space Issues

Defense Minister Seen Advocating Strong Army

MM0409153895 Moscow KRASNAYA ZVEZDA in Russian 2 Sep 95 p 1

[Report by Aleksandr Pelts: "Russian Federation Defense Minister in the Far East"]

[FBIS Transcribed Text] Russian Federation Defense Minister Pavel Grachev arrived in Vladivostok yesterday, 1 September. The main aim of his visit is to participate in the ceremonies marking the 50th anniversary of the end of World War II and the defeat of militarist Japan which are currently being held in the Far East region. In addition, the defense minister intends to study the situation and the state of affairs among the troops of the Far East region and also assist leading personnel in tackling current problems.

On the same day the defense minister took part in a ceremonial assembly marking the 50th anniversary of the end of World War II.

The assembly was addressed by Oleg Soskovets, first deputy chairman of the Russian Government, who stressed the crucial role of the Soviet Union and the Red Army in crushing militarist Japan and ending World War II.

Army General Pavel Grachev, the Russian Federation defense minister, spoke next. He noted that mankind should pay due tribute to the countries and peoples that brought World War II to a victorious conclusion. The Far East campaign, the minister said, convincingly showed the superiority of our military science, strategy, operational skill, and tactics. It is the duty of the living to remember the lessons of history taught by the war. Only a state united by the same strivings and aspirations for the fatherland can be invincible.

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It is necessary, Army General Grachev went on, to remember yet another lesson of World War II: Only a strong army and navy can guarantee the state's national security. The Russian Army was and remains the bulwark of the state and guarantor of its stability and integrity for all the difficulties we are currently experiencing.

The defense minister will take part in jubilee events in Vladivostok on 2 September.

New-Generation ICBM Successfully Launched

LD0509101695 Moscow ITAR-TASS in English 0952 GMT 5 Sep 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW September 5 (ITAR-TASS) — Russia successfully launched a new-generation intercontinental ballistic missile of the Topol series on Tuesday.

The press service of the Russian Strategic forces told Tass the missile was launched at 11:50 hours Moscow time (07.50 GMT) from the Plesetsk launching site in the north of the country.

"The objective of the test was reached", the press service briefly commented.

Soyuz TM-22 Launches With Russian, German Crew

LD0309094695 Moscow ITAR-TASS in English 0941 GMT 3 Sep 95

[By Veronika Romanenkova]

[FBIS Transcribed Text] BAYKONUR September 3 (ITAR-TASS) — The Soyuz TM-22 spacecraft with an international crew on board was launched by the Russian Military Space Forces today from Kazakhstan's space site Baykonur.

The spacecraft is to bring Russian cosmonauts Yuriy Gidzenko and Sergey Avdeyev and the astronaut of the European Space Agency, Thomas Reiter, to the orbiting space station Mir at 14:30 September 5.

Soyuz TM-22 Docks With Mir Station

LD0509111895 Moscow ITAR-TASS World Service in Russian 1052 GMT 5 Sep 95

[By ITAR-TASS correspondents Veronika Romanenko and Viktor Gritsenko]

[FBIS Translated Text] Moscow, 5 Sep (ITAR-TASS) — The spacecraft Soyuz TM-22 carrying a Russian-European crew successfully docked at 1430 Moscow time today with the orbital station Mir. Soyuz TM-22 moored in automatic mode with the Kvant-2 module and occupied the place vacated for it the previous day by the spacecraft Progress M-28.

Federal Assembly

Council Approves Laws on Former Yugoslavia

LD0409163095 Moscow INTERFAX in English 1457 GMT 4 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 4 (INTERFAX) — Chairman of the Federation Council, Russian parliament's upper chamber, Vladimir Shumeyko has sent a message to Chairman of the State Duma, parliament's lower chamber, Ivan Rybkin.

Shumeyko told Rybkin that the law on humanitarian aid to the United Republic of Yugoslavia [name as received] due to the massive violations of human rights and the rights of the Serbian people in Croatia (on Russia's one-sided exit from the regime of sanctions against Yugoslavia) could be considered as approved by the Federation Council. Under the Russian constitution, a Duma-adopted law is considered as approved by the Federation Council if the upper chamber fails to consider it within a 14-day deadline.

Shumeyko told Rybkin that the law on Russia's measures for preventing the genocide against the Serbian people in Croatia (on introducing sanctions against Croatia) was considered as approved by the Federation Council for the same reason.

The State Duma told INTERFAX today that Shumeyko had informed Rybkin that the two laws had been sent on August 31 to the Russian president "for signing and to be made known publicly."

The State Duma adopted both laws at its extraordinary session on August 12.

Duma Backs Emergency Session on NATO Airstrikes

LD0409101595 Moscow ITAR-TASS in English 0934 GMT 4 Sep 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, August 4 (ITAR-TASS) — All groups and caucuses in the State Duma have backed the initiative for calling an emergency meeting of the lower house of parliament to consider "the unleashing of war in the Balkans by the North Atlantic Treaty Organisation and Russia's stance on the matter."

By noon on Monday, 100 deputies had signed the appeal to the State Duma Chairman Ivan Rybkin, who, in

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keeping with the house rules of procedure, must now call the Council of the house to decide on the date of the meeting.

The move was initiated by the Agrarian Party faction. According to the Duma rules of procedure, signatures of one-fifth of the Duma's 450 members, i.e. at least 90 signatures are required to call an emergency session.

It is up to the house chairman to take the next step: he is in no way bound by the rules of procedure in this case and may call a Duma Council meeting immediately or decide on a later date. Rybkin's decision is expected to be made public today.

The appeal signed by 100 deputies stressed that "the actions of NATO cannot be seen as anything other than a large-scale punitive action, slightly disguised by the U.N. flag and aimed at a forcible solution to the Bosnian crisis and, in fact, leading to genocide of Serbs in Bosnia and Herzegovina."

The State Duma has no right to view dispassionately the qualitatively new situation arising in the Balkans, the statement says. The lower house of parliament will insist on an emergency debate about this issue. Within the framework of the house debates, deputies expect to discuss "the responsibility of the government and Foreign Minister Andrei Kozyrev personally for the obvious damage done to the prestige and interests of Russia."

Budget Allocates 280 Billion Rubles for Duma Elections

LD0509105595 Moscow INTERFAX in English 1015 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (INTERFAX) — A total of 280 billion rubles has been allocated from the federal budget for the Duma elections of 1995, Chairman of the Russian Central Electoral Commission Nikolay Ryabov said during a nation-wide telecom conference on Duma elections in Moscow Tuesday.

In his words, 180 billion will be spent on activities concerning electoral commissions.

"The money will also be used to finance election campaigns for candidates and election blocs," noted Ryabov.

An inspection team has been formed under the Central Electoral Commission to control spending, he said.

Judging by the start of the current election campaign, there will be far more candidates for Duma deputies this time than in the 1993 elections. According to Ryabov, the Central Electoral Commission has registered four election blocs and approved ten electoral associations' federal lists and candidates' lists in one-mandate electoral districts. "These lists include over 2,500 candidates," said Ryabov.

Commenting on the "Vybory" (elections) state computer system, Ryabov said that some of its elements will be tested at the 1995 Duma elections and the presidential elections of 1996. However, they will be used only to monitor the voting and to count votes. He said that a program to introduce the system will last through to 2000.

The telecom conference housed by the Russian Communications Ministry involved the head of presidential administration Sergey Filatov, the chairmen of electoral commissions from constituent members of the Russian Federation and the district electoral commissions, top officials from executive and legislative bodies of Russian republics and districts, representatives of the Interior Ministry, the Federal Border Service, the Ministry of Communications and other ministries and departments.

Regional Affairs

Sverdlovsk, Moscow To Sign Power-Sharing Treaty

LD0409165895 Moscow INTERFAX in English 1457 GMT 4 Sep 95

[FBIS Transcribed Text] YEKATERINBURG, Sept 4 (INTERFAX-EURASIA) — The Sverdlovsk region and the Russian Federation will sign a treaty on power sharing in the Kremlin in late October, Sverdlovsk region Governor Eduard Rossel told a news conference in Yekaterinburg Monday.

He said that he recently met with President Boris Yeltsin who set the date for signing the treaty.

In addition to the treaty, the region intends to sign with the Russian government 15 agreements on cooperation in the spheres of the budget and finances, military industry, use of property and natural resources, etc.

Rossel said that Yeltsin had approved the schedule of drafting the documents. The president also said that he, as the conciliation commission head, is prepared to help smooth out differences between the governor and the Russian government.

Under the draft treaty, the Sverdlovsk region is to give to the federal budget 30 percent of all taxes collected in the region. As a result, a total of two trillion rubles will be left in the region's budget to develop the social security sphere and begin industrial recovery.

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Rossel: 'Warm' Meeting With Yeltsin

LD0109210595 Moscow NTV in Russian 1800 GMT 1 Sep 95

[From the "Segodnya" program; passages within quotation marks recorded]

[FBIS Translated Text] President Boris Yeltsin today talked to Sverdlovsk Governor Eduard Rossel in the Kremlin. We found out the details of the meeting from Rossel himself:

[Correspondent Valeriya Zaremba] Eduard Rossel flew home in good spirits after his meeting with the president.

[Rossel] "The meeting was very warm, like two fellow countrymen who know each other well."

[Zaremba] Yeltsin agreed to look at the draft agreement on demarcating powers between Sverdlovsk region and the federal authorities.

[Rossel] "The agreement itself enumerates what, according to the Constitution.... [pauses] We wrote into the agreement what belongs to us according to the Constitution. We wrote 15 agreements, I presented them. They are financial agreements, on the region's budget, on the percentage that we keep for ourselves and what goes to Russia."

[Zaremba] Rossel asked the president to waive the debts of the Urals' industrial enterprises and to extend a credit of 100-120 billion rubles for the purchase of grain for the republic. The previous grain credit, 69 billion, received by Sverdlovsk region, has been lost somewhere.

[Rossel] "I think that in a short time we shall manage to find where this money is and take a decision on its return."

[Zaremba] The problems of crime, deception of the population, honest financial structures, and increasing pensions were also discussed at the meeting between the president and governor.

Chernomyrdin Converses With Kursk Inhabitants

LD0509100595 Moscow ITAR-TASS in English 0946 GMT 5 Sep 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] Kursk, September 5 (ITAR-TASS) — Russian Prime Minister Viktor Chernomyrdin today conversed for about an hour with inhabitants of the city of Kursk, south of Moscow, which he is visiting today.

The conversation took place near the memorial of military glory where the prime minister laid wreaths to the monument of glory.

Responding to requests and questions from local inhabitants, the prime minister promised not to set up any further customs barriers to food imports from CIS and other countries. He said one exception would be made for foods which Russia itself can produce in plenty.

The prime minister on behalf of the government of the Russian Federation promised to restrain the growth of prices of the energy resources until the end of the year and to begin regulating the prices exacted by the so-called natural monopolies (such as power generation and railway transport) in the new year.

Chernomyrdin assured people that there would be no more delays in the payment of wages to the budget-supported employees and pensions beginning this autumn.

The local inhabitants mainly complained of the low wages and stressed the importance to restrain the inflation growth while increasing pay. They also told the prime minister about the ineffectiveness of the healthcare system and the shrinking of the possibility for getting free education. War veterans told the prime minister they had not received promised housing.

Social justice was in the focus of Viktor Chernomyrdin's conversation with Kursk inhabitants. They pointed out to the gap between the pay received by doctors and teachers on the one hand and bank, and fuel-and-energy sector employees on the other. Some people said they would vote for communists if the government failed to ensure more social justice.

Today's visit to Kursk is Viktor Chernomyrdin's first trip to the provinces after the public and political movement "Our Home is Russia" called its leader the movement's nominee number one in the forthcoming elections to the State Duma lower house of parliament.

New Round of Karabakh Talks Opens Near Moscow

LD0409124795 Moscow INTERFAX in English 1122 GMT 4 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 4 (INTERFAX) — Another round of talks on a settlement in Nagorno-Karabakh began near Moscow Monday, INTERFAX was told at the Russian Foreign Ministry.

According to a ministry official, the talks are attended by delegations from Armenia, Azerbaijan and Nagorno-Karabakh, Co-Chairmen of the Minsk conference of the OSCE for Karabakh Valentin Lozinskiy (Russia) and

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Heikki Talvitie (Finland) as well as observers from the CIS Executive Secretariat.

The diplomat said the delegations of the conflicting sides are led by deputy foreign ministers. Political advisors of the presidents of Armenia and Azerbaijan are expected to take part.

The source reported that negotiators will focuss on the prospects of a large-scale political agreement as well as several other key aspects of the conflict, including the future of Shusha and Lachin and the status of Nagorno-Karabakh.

Explosion Kills at Least 14 at Kuzbass Coal Mine

MM0509085795 Moscow IZVESTIYA in Russian 5 Sep 95 p 1

[Report by Igor Vandenko and Yuriy Snegirev: "Tragedy at 'Pervomayskaya' Mine"]

[FBIS Translated Text] There was a powerful explosion Monday night at the "Pervomayskaya" mine in the city of Berezovskiy in the Kuzbass. The alert reached the control panel at the mine rescue station 15 km from the mine at 0230 hours. The rescue workers went to work within 30 minutes. Four branches of the departmental mine rescue service arrived at the scene of the accident and began extricating people from the debris. At the time this issue of IZVESTIYA was signed to press, the bodies of 14 dead miners had been recovered from the mine. There were 93 people working in the mine at the time of the explosion.

At the moment there are two theories regarding the incident. According to the first, the explosion was due to a mixture of methane and coal dust, which is one of the commonest causes of accidents in hard coal mines. However, according to the other theory, which was recounted to your IZVESTIYA correspondents at the Ministry for Emergencies, the presumed cause of the accident was the staging of planned explosions in the mine, which resulted in the collapse of the pithead buildings.

A headquarters led by City Administration Head Aleksandr Panasenko has been set up in Berezovskiy to eliminate the aftermath of the accident. A government commission including representatives of the Gosgortekhnadzor [Federal Mining and Industrial Inspectorate], the Russian Ministry of Fuel and Energy, the "Rosugol" state company, the Kemerovo Oblast Administration, and the Ministry of Social Protection is also being created.

The tragedy in Berezovskiy is the ninth major fatal accident in Kuzbass mines since the start of the year. The sad irony in this case is that the "Pervomayskaya" mine had the reputation of being one of the best from the viewpoint of miners' safety.

According to Gosgortekhnadzor First Deputy Chairman Aleksandr Subbotin, the "Pervomayskaya" explosion was so powerful that it reached the surface and destroyed the mine buildings.

State Commission Investigates Accident

LD0509092595 Moscow ITAR-TASS in English 0803 GMT 5 Sep 95

[FBIS Transcribed Text] KEMEROVO, September 5 (ITAR-TASS) — A state commission, headed by Minister of Fuel and Energy Yuriy Shafranik, began today to investigate the causes of the accident at the Pervomayskaya coal mine in the Kuzbass coal basin.

Before the first session of the commission was held, Shafranik met Kuzbass Governor Mikhail Kislyuk. They decided that the Russian Ministry of Fuel and Energy and the local administration of the Kemerovo Region would conclude an agreement, which would envisage a strict observance of labour safety rules in the mining industry of the region.

Eighty miners have perished at Kuzbass mines since the beginning of the current year. The number of industrial injuries with lethal outcome at coal mines of the region has gone up three-fold during the past six years. The analysis of the accidents shows that in most cases they are the result of the disregard of labour safety rules during underground work.

Soskovets Promises Fuel, Energy for Maritime Kray

MM0509102695 Moscow ROSSIYSKAYA GAZETA in Russian 5 Sep 95 pp 1, 3

[Report by Valentina Bratchikova: "'Our' Kray, But Maritime Kray People Should Not Wait for Better Weather. First Vice Premier Oleg Soskovets Chairs Conference of Region's Heads of Administration"]

[FBIS Translated Text] Vladivostok — Will supplies of "light" run out in Maritime Kray? Undoubtedly, the kray leadership believes, if the government does not fund its fuel and energy complex out of the federal budget. Thousands of Vladivostok people are already getting used to having no electricity "morning and evening," and many have half-forgotten what hot water is like. Strict power-saving provisions have affected all spheres of the local economy. Maritime Kray people are dreading the coming cold spell as if it were a punishment from God — the kray is not prepared for it, there are barely six-eight weeks' stocks of fuel available. Anticipating a kray-wide disaster, the local authorities have carefully calculated how much Moscow owes them

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— 300 billion rubles [R] for fulfilled state orders, another R85 billion for the defense sector, then there are the miners, plus welfare payments.... Electricity tariffs are increasing rapidly. Until recently a kilowatt-hour cost domestic consumers R100 — the rates have now had to be increased twofold. There are no funds to compensate the population and industry — which will now have to pay three times as much — for the different prices.

These and other complaints about the central authorities, which, in the opinion of local Maritime Kray leaders, do not want to take account of local needs, were voiced by Far East region leaders once again — for the umpteenth time — at a conference of kray heads of administration in Vladivostok on the problems of the fuel and energy complex. The participants included First Vice Premier Oleg Soskovets and the leaders of a number of ministries and departments who were accompanying him.

But it transpired that things were not as black as they had been painted. The speeches by the government delegation members demonstrated the opposite no less convincingly — the center has been meeting its financial commitments and the other debts will be covered in the very near future. It is more a question of something else — of the dissipation of funds and poor monitoring of their targeted utilization.

Oleg Soskovets reported that money has already started being received by the Maritime Kray military-industrial complex — the first R11 billion has been remitted to the defense sector in Vladivostok, Arsenyev, and Bolshoy Kamen. According to him, the government is currently developing a concept for reducing the monopolies in a number of sectors of the national economy, which will make it possible for industrialists to avoid excessive price diktat. Moreover, in November it is planned to adopt at government level a program for the region's long-term development taking account of Russia's geostrategic and economic interests. It will envisage measures of state support, including preferential financing and the allocation of subsidies to the furthest-flung part of Russia.

"We will not permit any discrimination against Far Easterners," Oleg Soskovets stressed. "The people who live and work here should know that the government is concerned about their problems and will do everything to ensure that life in the region is normal."

Kaliningrad 11th Guards Army Commander Interviewed

WS0109113695 Kaliningrad YANTARNYY KRAY in Russian 18 Aug 95 pp 1, 2

[Interview with Russian Guards Colonel Sergey Ivanovich Sidorenko, commander of aviation of the 11th Independent Army of the Guards, by V. Kostomarov; place and date not given: "We Are Flying and We Will Fly Regardless of Difficulties" — first paragraph is YANTARNYY KRAY introduction]

[FBIS Translated Text] *The third Sunday in August is observed in our country as Air Fleet Day. On the eve of this holiday, our correspondent met with Guards Colonel Sergey Sidorenko, commander of the aviation of the 11th Independent Army of the Guards, and requested him to answer some questions.*

[Kostomarov] Could you introduce yourself, Sergey Ivanovich?

[Sidorenko] In 1971 I graduated from Saratov Aviation School of Pilots, and in 1983, I graduated from the Air Force Faculty of the Military Political Academy. I served in the posts of helicopter crew commander, deputy squadron commander for political issues, squadron commander, deputy regimental commander, and regimental commander. In 1990 I was appointed to my current post.

[Kostomarov] I know that you have also taken part in warfare.

[Sidorenko] Yes, in Afghanistan in 1981-1982. I made 295 operational flights and was awarded the Order of the Red Star. As we have touched upon this issue, I will say that the half of the pilots in the 11th Army possess combat experience. Regiment deputy commander Colonel Sergey Viktorovich Filipchenkov is a Hero of the Soviet Union; regiment navigator Lieutenant Colonel Vladimir Valentinovich Katayev was awarded the Order of the Red Star twice and the Third Class Order "For Service to Fatherland in the USSR Armed Forces"; squadron commander Lieutenant Colonel Anatoliy Ilich Kozlov was awarded the Order of the Red Star twice; deputy squadron commander for educational work Major Viktor Dmitriyevich Moskalev was awarded the Order of the Red Star and the Third Class Order "For Service to Fatherland in the USSR Armed Forces."

[Kostomarov] War has its own laws. The fact that every second pilot has battle experience speaks volumes. However, how are the problems of combat training resolved under the current circumstances of severe deficiency in all and everything?

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[Sidorenko] Speaking briefly, they are resolved with great difficulty. The main plight is the shortage of fuel for all necessary flights. For example, the number of flying hours in this year's first training period amounted only to one-third of that required by the training program. However, we are flying regardless of difficulties.

It particularly pains me to see young pilots. Several dozens of them arrived here last year from schools in Saratov and Saransk. Their education, however, is dragging out. Today they fly only during daytime and in easy meteorological conditions. To make up for this gap in some way, we try to practice more in classrooms and on simulators.

[Kostomarov] What is your favorite aphorism on aviation?

[Sidorenko] Success in the air is forged on the ground. This is how it was during the war in Afghanistan. The same today, in peacetime. Especially, I will repeat, in the situation where the number of flights is insufficient.

[Kostomarov] In 1993, the 11th Guards Army became independent. How has this effected the organizational and personnel structure of the Army's aviation?

[Sidorenko] In my opinion, the effect was unfavorable. Looking at the situation, on the whole we have been reduced by a factor of three. In addition, we are facing one more reduction in the near future, despite the fact that both Guards Lieutenant General Anatoliy Ivanovich Pimenov, commander of the 11th Army, and I have tried to convince Moscow that this should not be done.

True, someone may object to me by saying that last year a special district was created in Kaliningrad Oblast and that not only the 11th Army but also the Baltic fleet has its own aviation. The point, however, is that these are quite different kinds of aviation. Whereas the seamen have helicopters basically for searching for submarines and conducting rescue operations, we need them primarily to provide fire support to ground forces on the battlefield. And this, as they say in Odessa, are two big differences.

[Kostomarov] Nonetheless, can you say that the creation of the KSD — Kaliningrad Special District — has led to improving the interworking between the Army and Fleet aviations?

[Sidorenko] I can. This can be corroborated by the upcoming celebration of the Air Fleet Day. On Sunday [20 August], there will be a military sport event at the airport in Chkalovsk, which will be attended by both Army and fleet pilots. In particular, we will present a MI-24 helicopter gunship; our parachute sportsmen will also take part in the event.

However, the creation of the KSD, if I may to continue on this subject, cannot resolve all problems. You probably know that there is a military aircraft repair plant in the settlement of Lyublino in Kaliningrad Oblast. However, the trouble is that the plant cannot repair helicopters. Therefore, we have to ship our equipment to Russia's other regions — to Novosibirsk, the Volga region, Leningrad Oblast, and this is very difficult.

[Kostomarov] Do you have in mind Lithuania?

[Sidorenko] Lithuania is one of them, too. As you know, this Baltic country has set rather tough conditions for flying over its territory. We had to tackle this problem, too, when several helicopters were on their way back to Kaliningrad Oblast following repair in Leningrad Oblast. We were reproached then for not having notified about the overflight and not having received appropriate approval, as well as for flying too low. As you remember, that case became a point of contention between the foreign ministries of both countries.

[Kostomarov] Was it impossible to fly over the Baltic Sea?

[Sidorenko] Unfortunately, it was. Flying over the sea requires special training, which the Army pilots lack, in contrast to their fleet colleagues. In general, nobody ever allots such a task [to us]. In addition, there is no possibility to control a flight over the Baltic Sea, particularly since our "choppers" fly at low altitude.

[Kostomarov] Anyway, a holiday is a holiday.

[Sidorenko] Therefore, I would like to wish a happy Air Fleet Day to all aviators, both military and civilian, as well as aviation veterans. I would also like to extend my special thanks to our leading military collectives headed by Colonel Viktor Semenovich Tomilov and Major Vladimir Nikolayevich Nistoliy.

[Kostomarov] Thank you for your interview. Cheers to those flying in the sky!

Power Cuts Affect Baltic Fleet Facilities

LD0409094295 Moscow Russian Television Network in Russian 0400 GMT 4 Sep 95

[FBIS Translated Excerpt] An energy crisis in Kaliningrad region has reached its peak: owing to persistent nonpayments, the Yantarenergo joint stock company has to resort to desperate measures — to discontinue the

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supply of electricity to consumers. The strategic facilities of the Baltic Fleet, whose debt stands at over 17 billion rubles, are among the first victims of the crisis.

[V. Proskurin, commander of the Air Forces of the Baltic Fleet — identified by caption] Power has been cut at 24 facilities of the Air Forces of the Baltic Fleet. I have just received a letter with orders to cut electricity at the headquarters of the air forces in the next few days. Electricity has also been cut at the facilities where alert duties — anti-aircraft and rescue — are carried out. If electricity is cut at our headquarters of the air forces, whom can we rescue? How are we going to rescue them?

[Correspondent] Those who work in the electrical company believe it is the region's fuel and energy complex that needs to be rescued, since owing to the lack of funds it is completely unprepared for operating during autumn and winter. [passage omitted]

Military Camps Lose Energy, Water for Nonpayment

MM0109132095 Moscow KRASNAYA ZVEZDA in Russian 1 Sep 95 p 2

[Report by Valeriy Usoltsev under "News From the Regions" rubric: "Gas Cut Off, Electricity and Water Being Disconnected Too"]

[FBIS Translated Text] Khabarovsk — The so-called Volochayevskiy camp, a military camp located in downtown Khabarovsk, and certain other military facilities have been without gas for four days. Because of this complications have arisen in preparing food for the soldiers, and the strain on the power grid has increased. Colonel Viktor Polyakov, chief of the Far East Military District Domestic Maintenance Administration, said that this situation arose because of debts to the gas industry running to hundreds of millions of rubles. In the event of nonpayment of the debts, the gas industry is threatening to stop the supply of gas to military facilities and camps altogether. For this same reason for six months the military camps have been without hot water, the supply of cold water is intermittent, and electricity is regularly disconnected.

Russian All-People Union Holds Congress in Omsk

LD0309171595 Moscow INTERFAX in English 1603 GMT 3 Sep 95

[FBIS Transcribed Text] OMSK, Sept 3 (INTERFAX) — The Russian All-People Union (ROD) held its second congress in Omsk Sunday. In particular, the list of its co-founders includes the officers' union For Revived Fatherland, Soldiers' Mothers' Committee and divisions of the Afghan Veterans' Union and Cossack Troops' Union.

As many as 217 delegates from 57 regions of Russia represented their branches at the congress.

The congress adopted the ROD election program and elected its candidates to run for the State Duma in single-mandate constituencies.

The ROD program is based on the recognition of Russia's unique geopolitical role and its special way in the modern world.

The ROD categorically disagrees with a totally mundane Russia. According to its architects, the church and the state should be "spiritually inalienable."

The ROD federal election list includes the director general of the Omsk-based company Fatex, Aleksandr Bazhenov, deputy Cossack Ataman (chief) Valeriy Moshnyakov, cosmonaut Valentin Lebedev, director general of the Molnia production association, Aleksandr Bashilov, and Don Cossack Troop Ataman Ivan Umanets.

North Ossetian President Fires Chairmen, Ministers

954F3272C Nalchik SEVERNYY KAVKAZ in Russian 26 Aug 95 p 5

[Article by O. Kusov under the rubric "Flights of Fancy and Reality": "August a Terrible Month for Politicians"]

[FBIS Translated Text] The authorities of North Ossetia-Alaniya had just observed the fourth anniversary of the August events in Moscow, when on the next day, a large portion of the republic Cabinet of Ministers had to experience a situation far more terrible to themselves. Republic of North Ossetia-Alaniya President Akhsarbek Galazov pronounced his devastating edict from the podium in session of the republic parliament. Three deputy chairmen of the government and eight ministers lost their positions in scant minutes. Among them were Deputy Chairman Yakov Kukuy, in charge of the industrial sector; Deputy Chairman Ramazan Lagkuyev, in charge of the economy and head of the republic Commission on the Return of Ingush Refugees; Ministers Kazbek Doyev, Kazbek Bayev, Zinaida Izotova, Nikolay Tatrov, Stanislav Ardasenov, Vitaliy Bekuzarov; and others. Eduard Metsayev, a former deputy chairman of the government, now heads the Ministry on Nationalities Affairs. The Ministry of Public Health and Ministry of Social Protection have been combined. The Ministry of Press and Information is a new addition, to be headed by Eduard Tokayev, editor of the republic youth newspaper SLOVO. According to the new structure of the executive authority, republic

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Finance Minister Oleg Bezhayev becomes deputy prime minister at the same time, and experienced scientist and practitioner Nikolay Shubin, director of the large Defense Scientific Research Institute, is appointed to the posts of deputy prime minister and minister of economics and foreign relations.

Akhsarbek Galazov stated that all the officials removed from their positions failed to draw appropriate conclusions from the message of the head of the republic delivered by him half a year ago.

'Economic Miracle' in North Ossetia Examined

954F3272B Nalchik SEVERNYY KAVKAZ in Russian 26 Aug 95 p 3

[Article by O. Kusov: "The Economic Miracle of North Ossetia-Alaniya"]

[FBIS Translated Text] The foreign economic turnover of North Ossetia-Alaniya amounted to $55 million in the first half of the year, a 2.4-fold increase over the level for the same period of last year, as reported to SEVERNYY KAVKAZ by the Foreign Economic Department of the Administration of the President of the Republic of North Ossetia-Alaniya.

In this regard, total exports increased from $7.06 to $12.7 million, while total imports rose from $15.5 to $42.6 million. Experts evaluate this situation as an economic miracle. The "economic tiger" of the North Caucasus has solid economic ties with more than 30 states of the far and near abroad.

What is exported from the Republic of North Ossetia-Alaniya? Products of inorganic chemistry, machine-building output, instruments, raw and processed foodstuffs, and nonferrous metallic ores. The latter are shipped mainly to Europe. Light bulbs, dolomite, and resistors are sent to Ukraine, ferrous metals and timber, to Belarus.

Commodities imported into the Republic of North Ossetia-Alaniya include meat products and confectionery items from Belgium; clothing and confectionery items from Turkey; radios and furniture from the United Arab Emirates; alcohol, butter, and sugar from Ukraine; and grain from Moldova.

Specialists in the Foreign Economic Department note that exports are still raw-material oriented in nature. On the other hand, alcohol and foodstuffs constitute 78 percent of the imports arriving in the Republic of North Ossetia-Alaniya.

Shapsug Citizens Seek Minorities Law Veto

954F3272A Nalchik KHASE in Russian 26 Aug 95 p 1

[Appeal "To Russian Federation President B.N. Yeltsin" from the Khase (People's Parliament) of the Shapsug Nation]

[FBIS Translated Text] Esteemed Mr. President!

Concerned about the destiny of its minority people, the Khase (People's Parliament) of Shapsugs residing in Lazarevskiy and Tuapsinskiy Rayons of Krasnodar Kray appeals to you.

The Shapsugs, once the most numerous community of Adygeys, numbering more than 1 million at the juncture of the 18th and 19th centuries, as a result of the Caucasus War of the 19th Century and the anti-ethnic policy of a totalitarian regime which in 1945 eliminated the last flourishing of their ethnic self-distinction—the Shapsug National Rayon, find themselves faced, in their own historic Motherland, with the threat of extinction as a people. There is no need to state that the unique and distinctive culture of the Shapsugs, like that of any other people, constitutes an invaluable possession of world civilization. Today numbering just over 10,000 individuals, however, the Shapsugs are administratively divided into two rayons, two cities, and seven rural administrations. Such an administrative division makes it impossible to carry out a unified state policy aimed at preserving and developing the ethnic community of Shapsugs.

The problems of ethnic survival of the Shapsugs that have accumulated over many decades have been discussed at all congresses of the Shapsug people and, proceeding from universally recognized principles and norms of international law, as well as from Russian legislation currently in effect, have been presented to the organs of state authority of all echelons, including at the presidential level. In this regard, the Shapsugs have always advocated a position of democratic, parliamentary resolution of their national problems, and have placed great hopes in the Russian Federation Law under preparation—"Foundations of Russian Federation Legislation on the Legal Status of Indigenous (Aboriginal) Minor Peoples of Russia."

On 20 July, however, during examination in the State Duma of the above-mentioned draft law in the third reading, the Shapsugs were excluded for unknown reasons from the listing of indigenous (aboriginal) minor peoples of Russia, although according to scientific data their presence in the Northwest Caucasus is documented from the Fifth Millennium to our present era.

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The Khase (People's Parliament) of the Shapsug people registers its resolute protest against the sacrilegious decision of the State Duma with respect to Shapsugs, and asks you to veto this law as being contradictory to Art. 69 of the Russian Federation Constitution.

[Signed] The Khase (People's Parliament) of the Shapsug People

[dated] 12 August 1995

Economic Issues

Yeltsin Meets, Blames Bankers for 'Crisis'

MK0209082595 Moscow KOMMERSANT-DAILY in Russian 1 Sep 95 pp 1, 5

[Report by Yaroslav Skvortsov: "The President May Be Disappointed With the Bankers"]

[FBIS Translated Excerpt] Yesterday in the Kremlin, Russian President Boris Yeltsin met with chiefs of a number of large commercial banks. The tone of the statement by the head of state, according to KOMMERSANT-DAILY's experts, shows that the interbank market crisis has come as a complete surprise to the authorities. As a result, the president was confronted with the question: To what extent can commercial banks be counted on to finance Russia's economy and conduct the election campaign? And who should now benefit from "grace" in the shape of an edict on the management of state-owned shares in privatized enterprises? [passage omitted]

Boris Yeltsin made another remarkable point: The president, of course, favors a strong national banking system, but at the same time it is impossible to limit forever the operation of foreign banking capital in Russia. A direct threat is implicit here: If the banks do not "help" the ruling authority but, quite the contrary, become a source of various troubles, the authorities could turn to foreign capital. [passage omitted]

But the most important words, in our view, were pronounced at the end of the meeting. Touching on an initiative by the Banking Consortium, which offered the government a loan against the pledge of state blocks of shares in major industrial enterprises, Boris Yeltsin observed: "I now have some doubts about the banks' financial possibilities: If you have problems in interacting with each other, where is the guarantee that there will be no problems in relations between you and the government?" Then the president told the bankers that a corresponding draft edict on transferring stocks in major industrial enterprises to them is ready. If the bankers manage to persuade him that they can be trusted, the document will be signed immediately. Here one odd thing needs to be noted: Why did the president "offer" the draft edict not to consortium members, who actually authored the scheme, but to other bankers? And why did none of the consortium members take part in the meeting with the president?

According to KOMMERSANT-DAILY's experts, this oddity may be an indication that the latest events on the financial market have confused the authorities, who do not understand on whom to place their bet; hence the hitch with the edict. This document has been long and impatiently awaited by the banks, and prolonged behind-the-scene struggles have unfolded over it. Presumably, the edict was conceived by the presidential team to be a trump in the intricate pre-election game between the authorities and the banks. Finally, the president, figuratively speaking, holds out the edict to the banks... and his hand hangs in mid-air, because over the past week the situation in the banking world has changed beyond recognition. Many banks are past caring about stocks, credits to the government, or financing the election campaign.

This is only guesswork on our part, however. What the bankers actually told the president in response to this question is not known. As usual, at the most interesting point the journalists were asked to leave the hall. Whether the bankers have managed to persuade Boris Yeltsin of their solvency will become clear in the very near future.

Gerashchenko Fears Economic Situation

LD0209163895 Moscow INTERFAX in English 1303 GMT 2 Sep 95

[FBIS Transcribed Text] MOSCOW, Sep 2 (INTERFAX) — Viktor Gerashchenko, former Russian Central Bank chief, has blamed the recent jolt on Moscow's credit market on mistrust among banks and on fears that "the economic situation in the country may get worse," and has called banks for more interaction.

Gerashchenko has given a spacious interview to the weekly INTERFAX-AIF for the first time after his resignation last October (in the wake of the ruble's crash on the money market on the so-called Black Tuesday). This issue of the weekly with the interview will come out on Monday, September 4 (but it is on sale in Moscow already on Saturday, September 2).

Russia's former "chief banker," who, according to the weekly, sits in "a tiny Central Bank office" made it clear that if Tatyana Paramonova resigns as Central Bank chief, he will move to a commercial bank, too.

He confirmed that he was listened to on key Central Bank decisions. Asked how much he influences the

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Bank's policy today, Gerashchenko said that his advice had often been based on "his vision of problems."

Members of the Central Bank's Board, he noted, "sometimes seek advice on fiscal matters, and sometimes on administrative problems both within and outside the Bank."

In an interview with INTERFAX-AIF, Gerashchenko also touched upon some aspects of his resignation, aspects he had preferred to keep to himself before.

"It seems to me that the president has made it worse for both himself and the power structures. But that's their problems," Geraschenko said.

Present Crisis Called 'Mere Precursor'

MK0209073695 Moscow SEGODNYA in Russian 31 Aug 95 p 2

[Report by Elmar Murtazayev: "Experts Believe That Another Banking Crisis Can Be Expected in the Near Future. Measures Taken by the Central Bank and the Government Are Called 'Emergency' Ones"]

[FBIS Translated Text] The crisis on the interbank credit market was unavoidable, and it is probably a mere precursor of some more excruciating developments on the Russian financial market — this according to Sergey Aleksashenko, director of an expert institute and former deputy finance minister, who spoke at a press conference yesterday at the Russian-U.S. Information Center.

In his opinion, the crisis (Mr. Aleksashenko insists on using precisely this wording for what happened) should be blamed, above all, on commercial banks, which grew accustomed to having a constant influx of funds under conditions of high inflation and, as a result, to banking operations with a high risk factor. The head of the expert institute believes that the new course of the Russian Government took them unawares. Mr. Aleksashenko does not think that commercial banks' statements suggesting that the crisis was provoked by the current tax system and the Central Bank's reserve policy are very convincing: "Everyone is well aware of the double-entry bookkeeping practices used by banks to hide their profits." Moreover, in his opinion, the tax system is too mild, and the collection of tax revenues from commercial banks needs to be placed under stricter oversight.

This notwithstanding, the director also holds the Central Bank responsible for having done nothing to prevent the crisis. Even now, statistical data on the situation with money circulation and the banking system remain unavailable for experts. At the same time, an analysis of these data could have averted the approaching crisis. In addition, no system for insuring private deposits has been created in Russia yet, and no scheme has been developed to make the Central Bank's actions in a critical situation open to the public. The measures taken by the government and the Central Bank are of an emergency character and have been reduced, in fact, to a mere increase in the money supply. Therefore, the expert institute director has no doubts that the latest moves by the government will have an inflationary impact on the economy.

The expert institute leader does not exclude the possibility that another banking crisis — a more severe one — could break out in the near future. According to Mr. Aleksashenko, "the most dangerous thing about it" is the crisis of trust among banks. No one knows for sure which banks have found themselves caught up in banking nonpayments and for what reasons. Therefore, it is virtually impossible to assess the actual extent of the August crisis. Mr. Aleksashenko believes, however, that the restructuring of banks is an "unavoidable process," and it will be up to the Central Bank alone to determine how painful this process will be.

Currency Market Agrees To Restore Credit Lines

MK0209142795 Moscow KOMMERSANT-DAILY in Russian 1 Sep 95 p 5

[Report by own correspondent: "Major Russian Operators of International Currency Market Hold Meeting"]

[FBIS Translated Text] Yesterday major Russian banks operating on the international currency market held a meeting at Inkombank's initiative. The meeting was attended by representatives of Avtobank, Mezhkombank, MDM Bank, Most Bank, Inkombank, and "Imperial" bank. Participants in the meeting reached an agreement on restoring mutual foreign exchange credit lines and conversion operations beginning 4 September 1995. The banks also agreed on an intensive information exchange. They assessed negatively the closure of credit lines for Russian banks by a number of Western banks. Furthermore, the banks expressed their astonishment at the disruption of bank foreign exchange payments to a number of Russian banks through the fault of Western correspondent banks.

Banks Agree on Anticrisis Measures, Cooperation

MK0109141195 Moscow SEGODNYA in Russian 30 Aug 95 p 1

[Report by Andrey Grigoryev: "The Largest Banks Have Created an Anticrisis Cartel. Real Transactions Are Being Resumed on the Market"]

[FBIS Translated Text] The situation on the financial markets yesterday [29 August] allowed one to speak of

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some easing of tensions, with the crisis — understood as a threat to make a large number of banks insolvent — coming under control. Yesterday, the first real transactions were concluded. INTERFAX circulated a statement by "Lefortovskiy" bank leaders saying that the bank had received a centralized credit and resumed its payments to customers.

A meeting of leaders of eight banks, held late Monday [28 August] evening, ended in the signing of an anticrisis agreement. The list published yesterday was incorrect only in one regard: "Mosbiznesbank" did not take part in the negotiations, and the eighth participant was "Stolichnyy Bank Sberezheniy [SBS]". Thus, "Vneshtorgbank," "Inkombank," the Russian Federation's "Sberbank," "Imperial," "Menatep," "Rossiyskiy Kredit," "Most-bank," and "SBS" agreed on measures to revive the interbank market. To restore mutual trust, members of the "eight" decided that they would exchange information on each others' situation on a regular basis. Most importantly, the agreement provides for mutual commitments that the financial requirements of participants in this agreement are to be met as a top priority. Claims laid by member banks will be given priority over demands by customers, the Central Bank, tax inspectorates, and other state agencies. In addition, taking into consideration the serious problems with clientele and the incipient trend toward their redistribution, the banks agreed on a concerted tariff policy regarding cash services.

The eight banks have also agreed on preventive measures. They include abstaining from mutual attacks using the mass media and joint efforts to prevent such actions by other organizations. The banks also intend to share lists of unreliable and unconscientious borrowers. Thus, the agreement goes beyond measures to overcome current problems. In principle, if not for the critical backdrop, the arrangements would have been looked upon as a cartel agreement — the largest one in the history of the Russian banking system. The hasty character of the arrangements, however, is evoking doubts as to whether they will be long-lasting. This is further emphasized by the fact that the banking associations that did exist when the crisis broke out proved impotent.

Tatyana Artemova, deputy chairman of the Central Bank, and Aleksandr Potemkin, head of its Foreign Operations Department, yesterday shared their views on the crisis. According to Mrs. Artemova, yesterday the liquidity level no longer prevented effecting current payments, whereas balances on banks' correspondent accounts exceeded their usual levels by 10 to 15 percent. On the whole, the Central Bank's stance remained unchanged: What is happening on the market is largely due to technical and psychological factors, although it was provoked by actual problems experienced by certain banks.

However, even if one presumes that there will be no mass bankruptcies, banks are being confronted with a very serious problem. The market that was built, above all, on trust has been ruined. Banks have resources, but there is nowhere to invest them. Neither the Central Bank, nor the government is able to help them in this matter. As Oleg Labutin, director of "Orgbank's" Ruble Operations Department, said, "we are unable to earn money."

Program for Licensing Financial Funds Approved

MK0509055995 Moscow SEGODNYA in Russian 2 Sep 95 p 2

[Report by Elmar Murtazayev: "Government Has Adopted Program for Developing Investment Stock Funds. There Will Be No Companies Working With People's Money in Russia Without a State License"]

[FBIS Translated Text] The RF [Russian Federation] Government's Federal Commission for Securities and the Stock Market approved at its session yesterday a program for developing new investment stock funds [ISFs], with their basis having been laid by Russian President Boris Yeltsin's edict "On Additional Measures To Enhance the Effectiveness of the Russian Federation's Investment Policy." Anatoliy Chubays, the RF Government's first deputy premier, told a press conference that all companies working with the [financial] resources of the populace have been asked to go through a procedure of transformation into stock funds: "Only investment stock funds that have been subjected to strict control by the Commission for Securities and have received licenses will be left working in Russia. All the rest are to be closed down."

Transformed will be both financial companies drawing the financial resources of the populace and check investment funds, said Dmitriy Vasilyev, securities market director. According to the government's information, there are about 750 companies at present working with the resources of the populace in Russia, and some 600 PIFs [private investment funds]. Under the federal program, after their financial status has been examined, they will be preliminarily classified into the organizations against which bankruptcy procedures will be filed, and into organizations that will be transformed into ISFs.

The officially registered obligations of the ISFs to their depositors will serve as a guarantee protecting the population's resources. This is one of the conditions necessary for obtaining a license. Furthermore, the program

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envisions setting up a securities market compensatory and guarantee fund. Among the sources of its formation, Mr. Chubays cited revenues from the sale of equipment seized from commercial organizations, funds from privatization, and well as funds invested by the RF Government.

Mr. Chubays thinks the first investment stock funds will emerge before the end of this year. The major efforts in creating these structures, however, will be seen in 1996, since making experts' assessments of the companies' activities will require considerable financial resources, exceeding the sum of $10 million.

Government Discusses Draft Tax Code

MM0409135695 Moscow ROSSIYSKAYA GAZETA in Russian 1 Sep 95 p 1

[Report by Maksim Zarezin under the "In the Russian Federation Government" rubric: "Two Hundred Pages — and All About Tax"]

[FBIS Translated Text] A draft of the Russian Federation Tax Code was discussed at a routine Russian Government session yesterday.

It is worth clarifying that it was the not the draft as a whole, which was offered to the attention of cabinet members, but its first two chapters. True, the text of these chapters is over 200 pages long, hence it is proposed to adopt the whole document in stages and bring it into force in 1997. The first, general, part formulates the basic principles of the tax system in the Russian Federation. Where do the main differences between the new code and existing legislation lie?

Deputy Finance Minister Sergey Shatalov said that the draft rigidly establishes the list of local, regional, and federal taxes. This is a response to the fact that the organs of power at local level, having received the right to introduce their own taxes, have not been able to deal with them in a rational manner.

The document provides for a reduction in the number of taxes: The tax on exceeding the standard wage fund and special tax are to disappear. Many of these proposals have already been implemented in the draft federal budget for next year. The new code clearly defines the rights and duties of the taxpayer and the tax organs and expounds in greater detail the terms and concepts used in taxation practice in order to rule out the variant readings which are currently so prevalent.

The next, special, part of the tax code deals with tax crimes and violations and liabilities for the same.

Government members who spoke during the discussion noted the importance of the publication of this vital document and of its positive aspects, but at the same time, it was said, the draft tax code in its present form contains many contradictions — in particular with the new Russian Civil Code (Criminal Code) which was recently adopted by the State Duma, and even with the Russian Federation Constitution. Hence a decision was adopted to correct the defects within one month and then to discuss the draft again at a government session.

Government Deprives 'Gazprom' of Tax Privileges

MK0509060095 Moscow SEGODNYA in Russian 2 Sep 95 p 1

[Report by Elmar Murtazayev: "Authorities Are Attempting To Expand the Budget's Revenue Base. A 'Fundamental Decision' on 'Gazprom's' Taxation and the Pledging of State-Owned Shares Has Been Made"]

[FBIS Translated Text] The government is boosting its efforts to procure additional revenues for the 1995 budget. Yesterday, Anatoliy Chubays, first deputy premier of the Russian Federation Government, said that the government has made "a fundamental decision" to abolish tax privileges for the formation of the "Gazprom" joint-stock company's stabilization fund and to raise the excise duties on gas from 25 to 30 percent. This move looks like a compromise compared with the initial — much harsher — proposals of the Economy Ministry. As projected by the government, by the end of this year some additional 3.5 trillion rubles will go to the budget from these sources. This will partially offset budgetary losses due to the abolition of export duties, which, according to Mr. Chubays, amount to about 120 billion rubles per month. The first deputy premier said that this "resolute move" should demonstrate once again what the government's macroeconomic priorities are, as well as its adherence to financial stabilization. As for "Gazprom's" losses, in his words they will be offset by reducing the list of organizations and enterprises that will not be barred from gas supplies.

Yesterday, Boris Yeltsin finally made yet another decision, probably aimed at replenishing the revenue part of the budget: He signed an edict specifying a scheme to implement a banking consortium's proposal to provide credits to the government in exchange for shares of federal property taken in pledge. According to Mr. Chubays, after this matter had been "long elaborated" by the government, it was decided that the government's creditor would be determined on a competitive basis.

Both domestic and foreign banks may take part in the auction. The first deputy premier said that the government will be guided by only one criterion in choosing the winner — the volume of funds to be credited. Moreover, in accordance with the auction

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rules, the winner will have the right to sell the shares thus acquired. Mr. Chubays also said that the list of enterprises whose shares will be put up for auction has already been prepared. He gave assurances that this list contains shares of the most attractive Russian enterprises, including companies and enterprises of the oil and gas sector. The competition will start early in the fourth quarter of this year.

Thus, a long story, which started as early as this March, has finally been put to paper. The irony of the situation is the fact that the decision on the consortium was made precisely at the moment when the banks that initiated the transfer of shares had to downsize their ambitions considerably. The crisis on the interbank credit market undermined the reputation of the domestic banking sector and diminished bankers' trust in the government. On Wednesday [30 August], another large bank — "Imperial" — declared that it had left the consortium. Possibly the competition's terms and conditions, whereby the government may also be credited by foreign banks, reflect the government's hasty efforts to preserve a competitive environment in which more significant funds can be contributed to the budget.

Oil, Gas Producers Cited on Competitive Export Plan

MK0509055295 Moscow SEGODNYA in Russian 31 Aug 95 p 4

[Unattributed report: "Russian Oil and Gas Producers Oppose Competition-Based Access to the Export Pipeline"]

[FBIS Translated Text] Leading Russian oil companies, in particular Lukoil, Surgutneftegaz, and Slavneft, as well as the Gazprom Joint-Stock Company, have criticized the draft government resolution on introducing a competitive redistribution of the right to access the system of main pipelines presented by the Russian Federation Economics Ministry. According to a source in one company's leadership, Russian oil producers are of the unanimous opinion that this procedure not only contradicts earlier government decrees proclaiming equal access for hydrocarbon raw material producers to the pipeline system, but also fully "disrupts the current export mechanism." Furthermore, Russian oil producers believe, reserving 20 percent of the pipeline system's overall carrying capacity for the benefit of the successful bidder will prevent other enterprises from exporting their full amount of the raw material extracted. A number of producers will have no possibility to use this right owing to their financial condition, company representatives believe.

Daily Discusses Fight for Oil Industry

MM0409122095 Moscow IZVESTIYA in Russian 1 Sep 95 p 2

[Article by Sergey Leskov: "Struggle To Reallocate Oil Property Threatens Losses for Every Russian"]

[FBIS Translated Text] Oil Worker's Day was traditionally celebrated 1 September. Nor will this year be without festive ceremonies. But the mood in the sector is far from gay. The conflict between presidential and government edicts concerning the property of Russia's biggest oil companies has given rise to forebodings comparable only with waiting for the Great Flood.

Yesterday's issue of IZVESTIYA described the situation connected with the delay in producing a finished government decree on the final structure for Russia's biggest oil companies, instead of which a presidential edict on the organization of the new Siberian Oil Company has been published. on Wednesday a session of the Ministry of Fuel and Energy collegium took place at which Minister Yuriy Shafranik came out with the sensational proposal that the government directive be repealed and the country's leading oil companies be drastically enlarged. Essentially the question of the fundamental repartition of property in a very rich sector was raised.

According to available information the president's staff promised Yu. Shafranik the post of leader of the newly created Siberian Oil Company which, it remains to be supposed, inspired him to oppose the program for the sector's structuring approved by his former patron V. Chernomyrdin. But the vote at the collegium, which happens very seldom in our apparatus-based discipline, rejected the minister's proposal.

The active behind the scenes participation in the sector's recarving of "Balkar-Trading" from Balashikha near Moscow, an automobile dealership until recently known to no one, is part of the imminent scandalous repartition of the sector. Recently must has been said about this firm's dubious deals and the strange patronage it enjoys in the power structures. And here is the latest clear chord: "Balkar-Trading" has acquired a large block of shares (estimated at 15-20 percent) of the powerful (33 million tonnes of oil a year) oil extracting association "Noyabrskneftegaz," which is part of the Siberian Oil Company. The automobile dealer is thus getting not only oil extraction but also access to the Omsk oil refinery, the largest in the country.

"Balkar-Trading's" work methods can be characterized by the following example. Through the Ministry of Finances the company acquired the 605 billion ruble debts of "Noyabrskneftegaz" and received the right to

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sell 2 million tonnes of oil. The profit from this deal was fabulous — up to 300 billion rubles [R].

But the intrigues surrounding the composition of the companies are not a problem of the office politics of ambitious officials and the Russian nouveaux riches dreaming of creating their own empires. It is a question of very great importance for the country's economy, for every taxpayer. Only three years ago the Russian president and the then head of the cabinet, Ye. Gaydar, spoke of the need to create vertically integrated companies in the sector combining the extraction of oil, its refining, and the sale of petroleum products. Politicians and economists continue to speak of this to this day.

This path has been checked by the world's leading oil companies. The years are passing by but where, to back up the declarations, are our vertically integrated oil companies? Only "Lukoil" has managed to defend itself in the bureaucratic fighting and in the constant reshuffles of enterprises. YuKOS and "Surgutneftegaz" are about two years behind. SIDANKO and "Rosneft" are slapping their pockets and cannot understand what to use and what to sigh for. There is a similar picture throughout the sector.

On this plane the attempts which virtually all oil companies are making to restore their lost foreign economic ties and to return to the former USSR's traditional markets are indicative. You do not have to be an economics professor to see against this background how wasteful bureaucratic games are to the Russian economy.

"Lukoil," which has formed into a vertically integrated company, received a tasty 10 percent in the Caspian oil consortium and is having some success in pushing through a project to Russia's advantage for the transport of oil across our territory. Foreigners have also had to move on another rich Azerbaijan deposit — Karabakh, where "Lukoil" has acquired 35 percent and the U.S. firm Pennzoil which used to be in control there has reduced its share to 30 percent. The Russian company is also acquiring property in Kazakhstan (including the USSR's largest phosphate plants) and is working actively in the Baltic states, Uzbekistan, and Turkmenistan.

But YuKOS, which in terms of its capacity is comparable to its successful competitor, cannot find its place in the CIS markets. In purely economic terms it would be to YuKOS' advantage to work in Ukraine but it has no property there and is not making investments. YuKOS' Turkish project has failed and a Peruvian projects is now being developed but that is an exotic item and does not promise particular profits. "Rosneft" is trying to work in Kazakhstan but is also unable to boast any success. Nothing has been heard of "Surgutneft's" attempts to penetrate foreign markets. Only "Slavneft" feels secure in Belarus and it is not out of the question that it will put Belarus' fuel sector under its complete control.

Troubles apart, how is the oil industry greeting its holiday? According to the Ministry of the Economy oil extraction in 1995 will decline 5 percent and be 302 million tonnes. About 120 million tonnes will be exported, which includes 17-23 million tonnes to the near abroad. The sector gives the budget about 50 percent of its currency revenue and the favorable situation on the foreign market will bring the treasury considerable unplanned revenue. In 1996 oil extraction will increase to 310 million tonnes and exports will increase by 3-5 million tonnes.

But all forecasts could collapse if the bureaucrats continue their covert struggle, which could bleed the sector white. In the Ministry of Fuel and Energy I saw a contract unprecedented in world practice between "Lukoil" and a foreign firm: A separate paragraph contains a point about the possibility of the foreign partner dissolving the contract if the president of the Russian company, V. Alekperov, leaves his post for any reason. A detail which attests eloquently to the fact that our partners are clearly aware of the precariousness of the Russian oil industry in its present state.

Lukoil Invites Tender for 350,000 Bonds

LD0409165195 Moscow INTERFAX in English 1457 GMT 4 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 4 (FIA-INTERFAX) — The Lukoil company has launched a tender in which financial investment institutions will bid for 350,000 interest-free convertible bonds rated at a total of 5 million rubles, or $1,000.

An official in the company's press service told INTERFAX Financial Information Agency that Russia and foreign investment institutions will compete for the bonds.

The July prospectus on this first issue of the company's bonds says that once it is over, the winners of the tender will form a syndicate which will offer the bonds for sale. The initial price of the bond will be 4.5 million rubles. The final price will be set on September 20.

According to the prospectus, Lukoil is an authorized agent of the Russian Federal Property Fund [RFPF] in subsequent conversion of every bond into 170 shares that are now managed by the RFPF.

According to Leonid Fedun, Lukoil's vice-president, the proceeds of the tender will be used to pay the debts incurred by the company's subsidiaries to the state.

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The First Boston, Imperial and Pariba Capital Markets, the banks which act as Lukoil's financial advisers, plan to sell Lukoil's bonds before September 27.

Chernomyrdin Orders 'Rybinskiye Motory' Privatized

MK0209131795 Moscow SEGODNYA in Russian 1 Sep 95 p 2

[Report by Elmar Murtazayev: "Viktor Chernomyrdin Has Ordered That Shares of the 'Rybinskiye Motory' Joint-Stock Company Be Sold. Sergey Burkov Is Protesting Against Having the Enterprise Privatized"]

[FBIS Translated Text] According to information received from Sergey Burkov, chairman of the State Duma Committee for Ownership, Privatization, and Economic Activity, Prime Minister Viktor Chernomyrdin has ordered that the state-owned shareholdings of the "Rybinskiye Motory" joint-stock company be sold within 10 days.

In the opinion of the Duma committee head, the latest governmental decision demonstrates how strong the backstage influence of the State Property Committee on the government is. Mr. Burkov is confident that the loss of state control over the enterprise manufacturing motors for the aircraft industry will lead "not only to a change in its main profile, but also to a rapid decline in the technological standards of all manufactured goods." To support his statement, he said that such a situation can be observed at nearly all enterprises of the military-industrial complex that have been privatized.

It will be recalled that the conflict over the "Rybinskiye Motory" joint-stock company emerged after the Yaroslavl Oblast Property Committee declared the company insolvent. The State Property Committee, in accordance with the federal monetary privatization program, put its state-owned shareholdings up for open sale. The "Gazprom" joint-stock company expressed its wish to purchase from the government 37 percent of the shares, promising to fund the enterprise and place orders with it. The would-be cooperation between the joint-stock companies seemed to have a stable basis in view of the fact that "Rybinskiye Motory" had earlier manufactured over 300 gas-pumping installations. "Gazprom" gave assurances that its orders would be able to secure jobs at the factory for at least a year.

In the opinion of the State Property Committee, however, this deal threatens Russia's "national interests," since the production of "Rybinskiye Motory" is needed primarily for re-equipping the civil aircraft fleet. Valeriy Shelgunov, the company's general director, also stood against selling the shares. Mr. Burkov's words make it clear that, despite numerous statements by deputies and economists, State Property Committee officials succeeded in having the state-owned shares realized. The conflict, however, can hardly be regarded as finally resolved — the interests involved in this matter are too serious for it to be settled in such a quick and trivial way.

EBRD To Grant $100 Million Credit to KamAZ

MK0209070995 Moscow KOMMERSANT-DAILY in Russian 31 Aug 95 p 9

[Unattributed report: "The Case of the $100 Million Has Been Completed"]

[FBIS Translated Text] Earlier, KOMMERSANT-DAILY reported on the complicated situation over an EBRD credit to the KamAZ truck plant. Now the plant management has a good reason to drink champagne: Yesterday a session of the EBRD Board in London decided to grant KamAZ a $100-million credit. This is the first time the EBRD has extended money unsecured by government guarantees directly to a Russian enterprise. The board's ruling states that "considering the great role of KamAZ in Russia's economy, the extension of this credit is regarded as the first stage in the EBRD's cooperation with Russia's largest truck producer." At subsequent stages of cooperation, the bank is to take part in specific KamAZ development projects.

Yegorov: 'Practically No Unemployment' in Moscow

LD0409144995 Moscow ITAR-TASS in English 1441 GMT 4 Sep 95

[FBIS Transcribed Text] MOSCOW, September 4 (ITAR-TASS) — "Due to the development of minor entrepreneurship there is practically no unemployment in Moscow," Yevgeniy Yegorov, head of the Moscow government department dealing with the development of small business, said.

The Centre of Economic Studies reported that unemployment in Moscow remains at the level of less than 0.5 per cent, while in the majority of Russia regions — 6-10 per cent, respectively.

Small enterprises account for 12 per cent of Moscow industrial enterprises, 14.2 per cent of the construction industry and 21.3 per cent of trade and public catering. Yegorov drew attention to the fact that the growth of small enterprises had slowed down in Moscow compared to the past years. In 1993, the number of these enterprises increased by 60,000, while last year the number of such enterprises went up by 40,000.

The Moscow government believes that in order to stabilise the economy and provide the population of the

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city with essentials the number of small enterprises in Moscow should be increased at least twice, similar to major cities in Japan, Great Britain and Germany.

Last year, the Moscow government allocated 14 billion roubles and 60 million U.S. dollars to support small enterprises. Apart from financial support, measures are being taken to create a proper legislative basis regulating the activities of small enterprises.

Bank President Pavlov Dismissed for 'Incompetence'

MM0509104795 Moscow KOMSOMOLSKAYA PRAVDA in Russian 2 Sep 95 p 2

[Report by Yevgeniy Anisimov under the "Dismissals" rubric: "Pavlov Ran the USSR, But Could Not Cope With a Bank"]

[FBIS Translated Text] Valentin Pavlov — former USSR premier, architect of the infamous "Pavlovian" monetary reform, and an active participant in the August putsch — again finds himself at the center of public attention. INTERFAX reports that V. Pavlov has been dismissed from the post of president of Chasprombank. The official wording is that he is leaving at his own request, but in fact it is said that he was dismissed for incompetence and for the "inappropriateness" (for which read: rudeness) of his behavior toward the bank's employees and clients.

The incompetence of the ex-premier and ex-bank president are revealed in the fact that Chasprombank turns out to be the very bank whose collapse on the interbank credits market is being cited in connection with the crisis that broke out last week. The "domino effect" operated — one major bank falls, and in its wake others connected by mutual obligations to it fall like dominos. At the same time the bank effectively suspended its services to private investors, which led to a panic arising among the latter.

It is easy to believe the "inappropriateness" of V. Pavlov's behavior at crisis times — during the putsch he drank popular antistress remedies. It is highly likely that during Chasprombank's difficult times he again snapped and was rude to someone he should not have been rude to.

Well, Valentin Pavlov is well and truly accident-prone — whatever he touches falls apart.

Bank Chairman Vanishes, Spurs Rumors of Bankruptcy

MK0509060295 Moscow KOMMERSANT-DAILY in Russian 2 Sep 95 p 6

[Unattributed POSTFACTUM Report: "The Moscow City Bank Chairman Has Disappeared"]

[FBIS Translated Text] According to a confidential source in banking circles, Anton Dolgov, chairman of the board of Moscow City Bank (MGB), has disappeared with a large sum of money and is now in Seattle (United States). Furthermore, the source said that MGB plans to announce its bankruptcy on Monday [4 September]. Bank representatives confirmed the report of Anton Dolgov's disappearance, but said they know nothing of his whereabouts or whether he has any of the bank's money. As for the bankruptcy option, it was categorically denied. At the same time bank representatives said that at present they are in negotiations with the Central Bank on granting the bank a 10-billion ruble loan, which they hope to obtain next week.

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International Affairs

UK Foreign and Commonwealth Secretary Visits

Udovenko Discusses Bilateral Relations

LD0309225495 Moscow ITAR-TASS World Service in Russian 2118 GMT 3 Sep 95

[By UKRINFORM correspondent Tatyana Kovalevskaya for TASS]

[FBIS Translated Text] Kiev, 4 Sep — Britain very much appreciates Ukraine's role in the building of the European home, the foundation of which should be formed by the principles of democracy, stability, and universal security. This was said by Malcolm Rifkind, secretary of state for foreign and commonwealth affairs, who arrived in Kiev on Sunday for a two-day visit.

At the meeting with Hennadiy Udovenko, Ukrainian minister of foreign affairs, his British counterpart said Britain attached great importance to furthering mutually beneficial bilateral cooperation with the young Ukrainian state and welcomed its confident progress toward becoming a full member of the European community. Ukraine can count on British support for its interests in all European organizations, including the Council of Europe and the European Union. It was also noted that London intended to assist Ukraine in increasing its exports to the countries of the European Union. The planned significant rise in the special assistance fund for Ukraine set up in Britain will contribute to a further increase in bilateral cooperation.

Talking to journalists, Hennadiy Udovenko expressed his satisfaction with the present level of fruitful cooperation between the two countries. The two sides expressed mutual interest in further expanding and strengthening mutually beneficial contacts. Apart from bilateral issues, the two ministers also discussed a number of international problems, including the current situation in the territory of former Yugoslavia.

The British foreign secretary is also to hold talks in Kiev with Oleksandr Moroz, chairman of the Ukrainian Supreme Council, Prime Minister Yevhen Marchuk, and Defense Minister Valeriy Shmarov. He is to visit Crimea, where he is to have a meeting with Ukrainian President Leonid Kuchma.

Moroz Receives Rifkind for Talks

LD0409085895 Kiev UNIAR in Ukrainian 0725 GMT 4 Sep 95

[FBIS Translated Text] Kiev — A meeting has taken place between Oleksandr Moroz, chairman of the Supreme Council of Ukraine, and British State Secretary for Foreign and Commonwealth Affairs Malcolm Rifkind at the Supreme Council of Ukraine. Deputy Foreign Minister Valentyn Lipatov, Volodymyr Mukhin, chairman of the Supreme Council Commission for Defense and State Security, Volodymyr Stretovych, chairman of the Commission for Legal Policy and Court and Legal Reform, and Yevhen Marmazov, deputy chairman of the Commission for Foreign Affairs and CIS Relations, attended the meeting on the Ukrainian side.

Addressing Mr. Rifkind, Moroz said: "You can see for yourself that the Ukrainian state is truly democratic and that it deserves to become a fully fledged member of the world community." Moroz stressed that "at all meetings we often touch upon the issue of specific nature of the Ukrainian state; unfortunately, not all politicians understand this and take this into account." The head of the Supreme Council thanked Mr. Rifkind for the assistance rendered in the course of the ratification by the British parliament of the treaty between Ukraine and the European community.

In his turn, Mr. Rifkind said transformations in Ukraine are of great significance for the whole of Europe.

The meeting was mostly held behind closed doors. However, as the chairman of the department of interparlimentary relations at the Supreme Council secretariat, Anatoliy Shcherbak, told UNIAR, issues that were touched upon during the conversation dealt with political and economic aspects of relations between Ukraine and Great Britain. In particular, replying to a question on land privatization, Moroz pointed out that he had no objections to it; however, there exist differences as regards ways of carrying out this process. Mr. Rifkind recommended not to be in a hurry to privatize land and deemed it inexpedient to privatize the transport system.

At the close of the meeting, Malcolm Rifkind, who is not just the Secretary of State for Foreign and Commonwealth Affairs but also a member of parliament, confirmed the invitation from the leadership of the British parliament to Moroz to pay an official visit to Great Britain at a time convenient for him.

Accession to Council of Europe Discussed

LD0409103895 Kiev UNIAN in Ukrainian 0810 GMT 4 Sep 95

[FBIS Translated Text] Kiev — The UK parliament and UK representatives at the Council of Europe will support Ukraine's accession to that organization irrespective of when Russia is admitted to the Council of Europe, Malcolm Rifkind, UK secretary of state for foreign and Commonwealth affairs, said at a meeting with

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Oleksandr Moroz, chairman of the Supreme Council of Ukraine.

He said the Political Affairs Committee of the Council of Europe will hold a meeting in Paris today, at which British representatives will support the proposal to admit Ukraine to the Council of Europe this year.

The secretary of state gave assurances that Great Britain will assist Ukraine in implementing economic reform; in particular, in training specialists. For example, the "knowhow" fund, which was set up at the UK parliament to promote relations between the UK and Ukrainian members of parliament, will be increased by 40 percent next year.

Rifkind confirmed his invitation to Moroz to pay an official visit to Great Britain.

The chairman of the Ukrainian Supreme Council gave Rifkind an invitation for the UK parliament speaker to visit Ukraine.

Volodymyr Mukhin, chairman of the Commission for Defense and State Security of the Supreme Council, has told UNIAN that the visit to Ukraine is the first foreign visit by Malcolm Rifkind since his appointment to the post of secretary of state for foreign and Commonwealth affairs, and this is the evidence of the fact that the UK attaches great significance to Ukraine from the point of view of European security.

Marchuk, Rifkind on Bilateral Relations

LD0409110695 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 4 Sep 95

[FBIS Translated Text] During a meeting between Ukrainian Prime Minister Yevhen Marchuk and British Secretary of State for Foreign and Commonwealth Affairs Malcolm Rifkind which took place in Kiev on 4 September, the sides praised the successful development of partnership relations between the two countries.

Stressing the importance of further extending and strengthening bilateral relations between Ukraine and Great Britain, Yevhen Marchuk emphasised the significance of the position occupied by that influential European state regarding our country. As is well-known, the British parliament was one of the first of the Council of Europe member countries to initial an agreement on partnership and cooperation between Ukraine and that organization.

Marchuk expressed the hope that Great Britain would continue to support Ukraine on its way toward integration into all-European structures.

It was pointed out that Ukraine is particularly interested in a growth in investments in its national economy. The conference on investment prospects in Ukraine, which was organized by the Adam Smith Institute in London in May this year, played a positive role in the development of this process.

Marchuk gave an example of successful cooperation between private companies of Great Britain and Ukraine; in particular, in the sphere of prospecting and exploiting oil and gas deposits, and emphasized the importance of expanding this cooperation. Marchuk stressed that Ukraine counts on British assistance in ensuring that the third tranche of the IMF stand-by credit is transferred to Ukraine on time and on British assistance in resolving the issue of shutting down the Chernobyl nuclear power station.

Rifkind and Marchuk discussed a broad range of issues of mutual interest and pointed out common outlook on ways to resolve them.

Rifkind on Broadening of NATO Ties

LD0409151895 Moscow INTERFAX in English 1427 GMT 4 Sep 95

[FBIS Transcribed Text] Kiev, September 4 (INTERFAX-UKRAINE) — British Foreign and Commonwealth Secretary Malcolm Rifkind advocates a broadening of relations between Ukraine and European organizations, NATO, the European Council and the OSCE (Organization for Security and Cooperation in Europe) included.

In delivering a lecture at the Kiev-based Institute of Foreign Relations, he said, in particular, that an enlargement of the NATO's "Partnership for Peace Programme" may include consultations on nuclear safety and nuclear nonproliferation.

Malcolm Rifkind disclosed that Ukrainian Foreign Minister Hennadiy Udovenko is to visit Brussels on September 14 in order to coordinate further steps for the implementation of the programme.

"NATO's broadening will threaten nobody", Malcolm Rifkind said, adding that "the enlargement of the alliance will be a slow and steady process."

M. Rifkind has highly appreciated OSCE's efforts to prevent conflicts in the territory of the former USSR, specifically in Moldova and Crimea.

He also welcomed the improvement of relations between Ukraine and her neighbors, with Russia in the first place, saying mature Russian-Ukrainian relations are of basic importance for all Europeans. Security on the continent on the whole depends upon stable Russia and her stable relations with the neighbor countries, he underscored.

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M. Rifkind also voiced hope that Ukraine and Russia would soon sign a large-scale treaty of friendship and cooperation.

The Foreign and Commonwealth Secretary also said that Britain intends to broaden by 40 per cent its programme of aid to Ukraine through the "know-how" fund. Last year, he said, around 150 projects worth a total of 13 million pounds sterling were financed within the framework of this programme.

Britain will also carry on the implementation of the programme for the support of small business in Luhansk.

'Permanent Misinformation' on Sevastopol Protested

LD0109201595 Moscow INTERFAX in English 1634 GMT 1 Sep 95

[FBIS Transcribed Text] Sevastopol, September 1 (INTERFAX-UKRAINE) — Borys Kucher, first deputy head of the Sevastopol city administration, addressed to Oleg Tochilin, editor-in-chief of the Information Television Agency of the Public Russian TV, a letter drawing his attention to the facts of "permanent misinformation" contained in the program Vremia as regards Sevastopol.

As "IF-U" was told at the department for information and press of the Sevastopol city administration, Kucher's letter refutes the information about the termination of transmission of PRTV programs as of September 1 "because of payment backlog". This information was contained in the ITA newscast at 21.00 on August 31.

He said that on August 29, 1,2 bn krb [karbovants] were sent by the city administration to the Crimean radio broadcasting center for the transmission of the PRTV signal beamed to Sevastopol.

The letter notes that "over a short period of time, this is the second misinformation about Sevastopol, being reported in Vremia program without any reference to the source".

"We would like that the ITA editors' office treat respectfully the TV viewers in Sevastopol, who count on a true information about their city, — the letter notes. To this end, the municipal administration is seeking assets from the city budget, in spite of the financial problems".

Ambassador: Ukrainian-Romanian Relations May Be Frozen

LD0309105495 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 3 Sep 95

[FBIS Translated Text] There is the hope that Ukraine and Romania will soon manage to overcome all difficulties in the way of drafting and signing a treaty on friendship and cooperation between the two states, Oleksandr Chalyy, Ukrainian ambassador to Romania, told Ukrainian journalists at a meeting held on the occasion of opening a Kiev-Bucharest-Kiev air route. Chalyy believes that political and economic relations between Ukraine and Romania may be frozen for a certain period of time unless the disputable issues are settled. The ambassador said the situation that is taking shape requires that Romania should legally regulate relations with its close neighbors. Unless it signs agreements with Ukraine, Yugoslavia, Hungary and other states, Romania will have problems as regards to its accession to the European Union. Romania has already been warned of this at the European Union. Chalyy said Ukraine should carry out a more active trade and economic policy in Romania, because our state has good prospects for getting access to that country's market.

Property Rights Protocols Signed With Belarus

LD0209104095 Kiev Radio Ukraine World Service in Ukrainian 0500 GMT 2 Sep 95

[FBIS Translated Text] The working meeting in Kiev between the delegations of the State Property Fund of Ukraine and the Ministry of State Property of Belarus has concluded with the signing of protocols. The documents confirm mutual recognition of the property rights of the neighboring country Belarus to the stone-crushing plants in Ovruch and Tomashgorod. The Belarusian side passed a specified list of 34 enterprises, which it believes belong to Belarus, to the State Property Fund of Ukraine. It was also decided to consider within one month the issue of setting up a joint Ukrainian-Belarusian enterprises on the basis of the property of the Zoloti Pisky holiday center in Kherson Region.

Military Inspectors Say Treaty Obligations Fulfilled

LD0409132095 Kiev UNIAN in Ukrainian 1220 GMT 4 Sep 95

[FBIS Translated Text] Odessa — A military delegation from Denmark, led by Mr. Jorgen Wahl, has ended its visit to Ukraine. It was conducting a fourth supplementary inspection of Ukraine's implementation of the Treaty on Conventional Forces in Europe.

"While visiting units of the Odessa Military District, we formed the impression that Ukraine is implementing

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the treaty precisely," Lieutenant-Colonel Ris Karsten, a member of the delegation, stated in an interview with UNIAN. "We visited all of the units in which we were interested; in particular, we had direct contacts with servicemen from tank and aviation regiments on the ranges at the 28th Division training center."

National Affairs

Foreign Exchange Accounts Tax Resolution Explained

WS0509103695 Kiev KIYEVSKIYE VEDOMOSTI in Russian 31 Aug 95 p 6

[Report by Mykola Zakrevskyy: "Trust in Anonymous Currency Accounts Could Be Undermined by the Supreme Council if a Relevant Law Is Adopted...."]

[FBIS Translated Text] We have already reported that any Ukrainian citizen has now the right to open anonymous and coded bank accounts. This topic has attracted much interest, especially the issue of guarantees for their anonymity. NBU [Ukrainian National Bank] Currency Control and Licensing Committee officials have reassured me that confidentiality is absolutely guaranteed. The NBU has devised the "Procedures for Opening Anonymous Currency Accounts by Physical Persons (Both Ukrainian Residents and Nonresidents)" whose Article 3 says: "No personal information or documents identifying an account holder are required to fill out a form." This is why there is no difference between residents (that is, Ukrainian citizens) and nonresidents in terms of using such accounts. Clients are allowed to deposit not more than $10,000 in cash during one banking day. By the way, this is a requirement of the Vienna international anti-organized crime convention. In addition, the Ukrainian customs rules allow for bringing the maximum of $10,000 in cash into the country without declaration. However, it is prohibited to transfer foreign currency deposited in an anonymous account to other countries or all kinds of accounts held by nonresidents in Ukrainian banks. A question arises here: If a nonresident remits some money to Ukraine and then decides to take it back, what should he do?

In other words, the idea of anonymity — "everyone in, but no one out" — is intended to make foreign exchange reserves work for the benefit of the national economy. According to Ukrainian official reports, such reserves amount to $4-6 billion. Will the potential account holders believe in the loyalty of the state? Maybe, unless our parliament cripples the idea of making investments in the economy by our own citizens.

The point is that the Supreme Council has already passed in its first reading the Law "On Declaring Income and Property by Physical Persons." This law levies a 15-percent tax on passive income, including the money deposited in all bank accounts, anonymous among them. As is known, there are presently no taxes on foreign exchange accounts.

Although the law is not yet finally adopted, the Chief State Tax Inspection office has already warned the NBU of this 15 percent in its official instruction issued on 10 August. Well, it was pretty to put it on paper...

But this is not the only legal trap. Take, for example, one of the latest resolutions of our parliament. It is called "About Introducing Amendments and Revisions in the Ukrainian Supreme Council Resolution 'on Activating the Law on the Ukrainian 1995 State Budget.'"

Changes were made to the size of administrative fines. While in the past, managers of enterprises and organizations were fined, based on the national minimum wage, for violations in financial and economic activities, from now on, the national minimum taxable income will be used. There is an immense difference between these two amounts, the first of which is 60,000 karbovantsi [K], while the second is K1,400,000. It would not be a problem, though, if the resolution had taken effect on the day it was published. Nothing of the kind happened. It was approved by the Supreme Council chairman on 13 July 1995, published in the press in August, and validated beginning 1 July. This means that all fines previously imposed for violating, say, accounting regulations or not having the enough teller machines need to be recalculated.

And the only result of this procedure will be a headache, V.A. Chesnok, head of the tax investigations department at the State Tax Inspection office, said. We would have to summon people once again and recalculate penalties. This is going to involve tens of thousands of cases in Kiev alone, as the resolution also covers administrations of executive committees, which themselves impose fines for various violations.

Generally speaking, the tax offices are being overcome by a creeping panic. On the one hand, the backdated resolution requires an adjustment or at least a clear explanatory instruction on the part of the Finance Ministry. People there, however, stubbornly keep silent. On the other hand, with common sense, one should urgently adopt a new resolution "On Introducing Amendments and Revisions" in the previous one. This looks quite logical. While life rejects any drafts, laws can still be redrafted. In this case, they must be redrafted.

But some excessively nosy citizen could start counting: 1) they adopted the law on the state budget; 2) they passed a resolution to implement it; 3) they resolved to change it; 4) they decided to change the changes... The

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parliament soon could transform itself into a rookies legislative school. As law-making is theprofessional trade of the deputies, it would be the right time to post a sizable slogan in the Supreme Council reading: "You should thoroughly learn your trade" [a Lenin quotation].

One question, however, remains unclear: What scale should be applied to fine the deputies for their mistakes in their educational activities, and how big should these fines be?

Decision To Ensure Ministries Act Within Law

LD0409174095 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 4 Sep 95

[FBIS Translated Text] The Cabinet of Ministers of Ukraine has adopted a relevant decision aimed at improving legal work in the sphere of social production, creating a lawful and organizational basis for the efficient activity of the juridical service with regard to ensuring legality in the work of ministries, preventing infringements of rights and the legitimate interests of enterprises, establishments, and organizations. It approves the general principle on ministries' juridical service, other central bodies of state executive power, state enterprises, institutions, and organizations. The document notes that the basic task of the juridical service is to organize legal work aimed at the correct use of strict abidance by and the prevention of nonimplementation of the terms of legislative acts, other law biding acts by ministries and enterprises, as well as their directors and employees when they are carrying out tasks and functional obligations entrusted to them.

The ministries' juridical service is directly subordinate to the head of a ministry or, if he decides, to one of its deputies while enterprises are directly subordinate to an enterprise's director.

Parliamentary Presidium May Break With Constitutional Pact

LD0409193495 Moscow INTERFAX in English 1831 GMT 4 Sep 95

[FBIS Transcribed Text] Kiev, Sept 4 (INTERFAX-UKRAINE) — The Ukrainian parliamentary presidium raised the possibility of breaking the Constitutional Pact with the president on Monday. The parliament recently reconvened after a summer recess.

Deputy Mikhail Ratushny told journalists the pact "has not survived the test of time." He declined to say what the presidium's decision was. However, one of its members could raise the issue at a parliamentary sitting.

The Constitutional Pact was signed by the president and the parliament on June 8, 1994 to enact the new power-sharing law.

Ratushny did not rule out that the national patriotic parliamentary factions could put forward a motion to denounce the Sochi agreement with Russia on the Black Sea Fleet.

The 4th session of the Supreme Rada (parliament) will open on September 5. The deputies are expected to discuss procedural issues and information back-up first.

Court Refuses To Hold Hearing on UNA Dissolution

LD0109204895 Kiev UNIAN in Ukrainian 1640 GMT 1 Sep 95

[FBIS Translated Text] Kiev, 1 Sep — The Starokievskiy district court in Kiev has ruled against a hearing on the forcible dissolution of the Ukrainian National Assembly [UNA]. The court referred to Article 32 of the Ukrainian Law on Public Associations, which vests the power of decision to outlaw a nationwide public association in the Constitutional Court.

No UNA representatives attended today's court session. A spokesman said the organization received the summons only last night and could not arrange legal representation at such short notice. It sent a request to Judge Tetyana Kozyr for the session to be postponed to a later date. The session took place in the defendants' absence after Starokievskiy district deputy prosecutor I. Perepelytsya made a statement accusing the UNA of sabotaging the proceedings.

Regional Organization of Civic Congress Registered

LD0409130195 Moscow INTERFAX in English 1010 GMT 4 Sep 95

[FBIS Transcribed Text] Kiev, September 4 (INTERFAX-UKRAINE) — A regional organization of the Civic Congress of Ukraine, west Ukraine's first, has been registered in Lviv region, Oleksandr Bazylyuk, leader of that party, told "IF-U" on Monday [4 September].

The Civic Congress of Ukraine is a left-centrist political party advocating Ukraine's integration in CIS. It was registered by the Justice Ministry in October 1993.

Oleksandr Bazylyuk had difficulty in giving the exact number of members of his party's regional organizations in Lviv region. He explained that his party's policy is to register its organizations in the provinces to ensure for them the possibility to participate in the elections to the local bodies of power.

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Oleksandr Bazyliuk noted that the registration of his party's organization in Lviv region involved examinations in courts of various levels in the course of 15 months. "Bureaucrat lawyers in Lviv feel that the program of the Civic Congress of Ukraine does not allegedly accord with Ukraine's interests", he noted.

Other leftist parties experience the same difficulties in their attempts at registering their original organizations in Ukraine's western regions, O. Bazylyuk noted. "The reason behind that is the same, their programs are not to the liking to the local authorities, to which the laws of Ukraine seem to be not binding", the party leader noted.

Membership in the Civic Congress of Ukraine is "around seven-eight thousand", Bazylyuk said.

Association of Crimean Compatriots Seeks To Restore USSR

LD0209182495 Moscow ITAR-TASS World Service in Russian 1413 GMT 2 Sep 95

[By ITAR-TASS correspondent Lev Ryabchikov]

[FBIS Translated Text] Simferopol, 2 Sep — An assembly of representatives of the parties and organizations that support the idea of setting up the Association of Crimean Compatriots (AKS) [Assotsiatsiya Krymskikh Sootchestvennikov] was held in Simferopol today. The preparatory work to set up the AKS is practically complete, Valeriy Averkin, chairman of the organizing committee and publisher of the newspaper MESHCHANSKAYA GAZETA, told delegates.

The association seeks the unification of the population of the former USSR to create a union of fraternal peoples on the principles of a single border, the removal of customs duties, the recognition of Russian as the second state language in the republics, the conclusion of defense and economic treaties, the creation of a single system for the provision of pensions, and the granting of benefits to veterans.

In Averkin's view, this task is particularly topical today, where the threat of a clash between the Muslim and orthodox worlds has arisen.

The AKS intends to achieve its goals by means of a petition to hold Ukrainian and Crimean referendums on the Belarusian model, helping Crimeans to obtain Russian citizenship, and creating a system to defend the rights of the Russian-speaking population. It will also seek to achieve the dissolution of the present Crimean Parliament and the scheduling of new elections to it.

Among the founders of the Association of Crimean Compatriots is Leonid Grach, the leader of the autonomy's communists. "I am convinced," he said in an interview with an ITAR-TASS correspondent, "that for the sake of saving the Fatherland, all those who are interested in doing so should unite. Only unity will save us. In the interest of restoring the country we are willing to work with practically all parties and organizations, irrespective of their religious and political lines." In the opinion of Crimean communist number one, the association is, at the present juncture, the best form for cooperation. "Working within its framework and together beating a path toward Russia and toward unification with it, we will be able to preserve the fragile inter-ethnic peace," he stated.

The decision was taken to hold the constituent congress of the AKS on 16 September in Simferopol.

TV, Radio Committee Statement on 'Violations'

WS0509070795 Kiev UT-1 Television Network in Ukrainian 1800 GMT 31 Aug 95

[Statement by Ukraine State Committee for Television and Radio Broadcasts, dated 31 August—read by announcer]

[FBIS Translated Text] The activation of the process of [words indistinct] the issue of broadcasting in Ukraine the programs of the so-called Russian Public Television has recently been observed in Ukraine. Unfortunately, aside from certain political forces, a number of oblast councils of people's deputies have become engaged in the resolution of this issue, as well as heads of oblast state administrations.

For instance, violating Ukraine's legislation, Mykola Kruhlov, acting head of the Mykolayiv Oblast State Administration, and Pavlo Lazarenko, head of the Dnepropetrovsk Oblast State Administration have issued orders to rekey a part of [word indistinct] television channels. A session of the Odessa Oblast Council has passed a similar resolution.

Stepan Volkovetskyy, head of the Ivano-Frankivsk Oblast State Administration, has issued an order presenting his own vision of the layout of television channels.

The leadership of the Transcarpathian Oblast has applied for resubordinating the Transcarpathian Radio and Television Broadcasting Center to local authorities.

In addition, the leaders of a number of oblasts do not even believe it necessary to timely inform Ukraine's State Committee for Television and Radio Broadcasts about the preparation and adoption of those kinds of decisions.

In light of the aforementioned, Ukraine's State Committee for Television and Radio Broadcasts officially states

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that all cited resolutions and orders were passed with grave violations of the acting legislation and shall not be implemented. It is worth mentioning in this regard that regional and oblast television and radio companies, as well as radio and television technical broadcasting centers — in accordance with Ukrainian presidential edict No. 12 of 3 January 1995 and the relevant Cabinet of Ministers resolution — are subordinated solely to the State Committee. Not a single television or radio channel, not a single transmitter in Ukraine are municipal or private property, not mentioning the property of a foreign television company.

The forming of the layout of technical broadcasting channels is an exclusive prerogative of Ukraine's State Committee for Television and Radio Broadcasts, while the right to issue licenses for the use of these channels belongs solely to the National Council for Issues of Television and Radio Broadcasts. Thus, interference in that sphere on the part of other representative or executive bodies is inadmissible.

The well-known order by Ukraine's State Committee for Television and Radio Broadcasts on rekeying television channels is in particular based on Ukraine's law On Television and Radio Broadcasts, which stipulates that the base of Ukraine's National Television is comprised by state television and radio organizations, which have the priority right to use the national television network (Article 12). Ukrainian presidential edict No. 12 of 3 January 1995 decreed the creation of Ukraine's State Committee for Television and Radio Broadcasts, among the primary tasks of which is the forming of the national television and radio space (Article 2).

Ukrainian presidential decree No. 296 of 11 April 1995 approved the regulations of the state committee, which envisaged that to perform its functions the committee shall issue orders mandatory for state bodies, for enterprises regardless of their proprietary status, and for citizens (Chapter 8).

Hence, there are all grounds to implement that edict fully. Meanwhile, the attempts by certain bodies of representative and executive power in the provinces, as well as of political parties and associations to interfere in the resolution of the problems that are beyond their competence, are inappropriate and lack prospects.

We again state that also in the future, the complex issues of forming and protecting Ukraine's national television and radio space will be resolved taking into account the entire spectrum of opinions and wishes, but exclusively within the limits of existing legislation.

Signed by Zinoviy Kulyk, head of Ukraine's State Committee for Television and Radio Broadcasts.

'First' Ukrainian, Chilean Satellites Launched

AU0509103595 Kiev HOLOS UKRAYINY in Ukrainian 1 Sep 95 p 1

[Unattributed report: "The First Ukrainian Sputnik Has Been Launched Into Space"]

[FBIS Translated Text] At 1050 Moscow time [on 1 September], the Russian Military-Space Forces launched the "Tsiklon-3" booster rocket from the Plesetsk Cosmodrome (in Arkhangelsk Oblast). It will put the Ukrainian sputnik "Sich-1" into orbit around the earth.

The start had first been planned for 0531, but after a defect was revealed in the vehicle's fuel system, the launch had to be postponed somewhat.

INTERFAX was told by the Press Service of the Russian Military-Space Forces that it had taken more than five hours prior to the launch to replace the drainage valve and to check all the systems of the "Tsiklon-3."

In addition to this apparatus of "Okean-01" system, the "Tsiklon- 3" took into space the Chilean artificial earth satellite "FASat-Alpha."

Interview With National Space Agency Director

LD0109230095 Kiev UNIAN in Ukrainian 1640 GMT 1 Sep 95

[FBIS Translated Text] Kiev — A full space research cycle will soon be set up in Ukraine, said Oleksandr Nehoda, director general of Ukraine's National Space Agency, in an exclusive interview for UNIAN.

According to him, since the "Tsiklon" rocket booster put the Ukrainian "Sich-1" satellite into orbit on 31 August, Ukraine has become a space state.

Nehoda said that a Ukrainian terrestrial control-assessment infrastructure near the towns of Yevpatoriya and Simferopol in Crimea and Dunayevtsy in Khmelnitskiy Oblast will be opened as soon as October of this year. The director general of Ukraine's National Space Agency noted that preparations for this have practically been completed and that spacecraft will be guided from, and information will be received and processed at these observation posts.

For now the "Sich" satellite is being guided by the Russian Federation Defense Ministry's flight control center.

The "Sich" satellite was developed at the Dnepropetrovsk Pivdenmash [Southern Machine-Building] for ecological research of the Earth's surface. It was launched

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from Russia's Plesetsk launching center within the framework of the national "Sich" program.

Observer Views Military Potential of Space

WS0509090695 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 29 Aug 95 p 3

[Report by military journalist V. Lartsev: "Why Should One Dig Trenches ... in Space?" — first paragraph is VSEUKRAINSKIYE VEDOMOSTI introduction]

[FBIS Translated Text] **Numerous "hot spots" in indirect proximity to Ukraine's borders, still existing potential territorial claims by its closest neighbors, a sharp increase in the length of guarded borders — these and many other factors dictate the need for a strong Armed Forces that are able to guarantee the independence of our state. At the same time, urged by our just-brought-to-light NATO friends, Ukraine repudiated its nuclear weapons and is seriously cutting down its army. Only the development and production of the most modern types of weapons can compensate for these losses. The utilization of space for military purposes is a promising direction in this respect.**

I Can See Everything From Above....

What is, in fact, military space technology? Primarily, this is a satellite communication system which guarantees reliable supervision of troops and makes it possible to target precision weapons. Space apparatuses provide military counterintelligence with data on movements of an enemy in any place on the globe. In addition, space navigation systems became reliable allies of sailors long ago.

Satellite systems provided over 90 percent of information for the anti-Iraq coalition during the "Desert Storm" operation. This war demonstrated the advantage of military space systems, which ensured the success of the allied forces in this operation. By the way, in the former Soviet Army, strategic rocket forces accounted for 90 percent of its fire potential. The fact that expenses on these forces amounted to only 10 percent of the funds allocated to the USSR defense complex proves that strategic rocket forces are highly effective and economical.

After the breakup of the USSR, a considerable number of components of the space infrastructure were left on Ukrainian territory: individual space commands [OKIK], "Kosmonavt Yuriy Gagarin" and "Akademik Sergey Korolev" — unique rocket control and guidance ships. When the Ukrainian Armed Forces were formed, these components became a basis for the Defense Ministry Directorate for Space Rocket Weapons. Over a short period of time, this directorate was staffed with highly qualified experts. Some 40 percent of these experts have served over 15 years in military space structures; every third expert has served in Baykonur [former USSR spaceport], and another one-third — in the "Plesetsk" spaceport.

The leadership of the directorate has managed to — by hook or by crook — preserve the space forces' primary material basis. In 1992, when total commercialization of the Army began and the Defense Ministry Commercial Center auctioned off military property, one had to conceal — even from one's direct leadership — the real volume of OKIK materiel. It was believed that Ukraine would need it soon.

There are too few components of space infrastructure to speak about a national military space program. Much time will pass before our state is able to endure huge financial expenditures on space. Let us remember that the program of launching "Buran" — alone — cost the USSR 3 billion rubles in prices of the time. Our impoverished taxpayer will not bear an additional tax — a space tax. In addition, "business sharks" will not invest money in projects which will only be expected to pay back in the next century.

Furthermore, Ukraine does not have a variety of important space system components at its disposal. First of all, we have no national spaceport. In purely technical terms, we would be able to launch objects to space from An-225 planes or from sea launchpads. There is a project to build a spaceport in Canada. All these projects, however, have one common drawback — their cost is colossal.

A Key to the Gates of the Future

However, a military space program is vital for Ukraine. The fact that space states have entered a qualitatively new stage of the technological revolution is an irrefutable fact; so, being a member of the "club" of these countries implies having a key to the next century in one's hands. To preserve the status of a space state, Ukraine should unite efforts with someone. But, with whom and to what a degree?

It is absolutely obvious that no one will share strategic secrets with a state that undertook the role of a fellow traveler, a role which does not oblige one to anything. It is necessary to not only equally share expenditures on joint space programs, but to become partners in a single military-political bloc. Only such a degree of cooperation guarantees open doors to military space technology.

Now, a few words about partners. It is no secret that today in Ukraine many state and Defense Ministry

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leaders are oriented toward NATO member-states. Quite a few Ukrainian officers are trained there; Ukrainian and NATO armies participate in joint exercises; numerous official visits are being organized. Nevertheless, NATO is not at all in a hurry to help Ukraine revive as a great space power. A small Ukrainian Army (some 100,000-150,000), equipped with everything necessary to participate in peacekeeping activities, suits the West quite well. For this function, however, it is not at all necessary to have precision space weapons.

The countries formed as a result of the breakup of the USSR are another matter. They have a vital interest in attracting the huge industrial potential of Ukraine to develop joint space programs. First of all, none of the CIS countries can individually resolve the issue of financing a military space program; second, parts of the USSR Defense Ministry space system have remained on their territories, and these parts could be restored as one entity within a minimum time frame and through moderate financial allocations. Finally, experts who work in CIS countries' military space systems are brothers-in-arms. And this is still quite a serious force.

It Is High Time To Stop Being an "Ammunition Carrier"

The Ukrainian Defense Ministry Directorate for Space Rocket Weapons did not wait for politicians to specify their priorities and used the revival of relations with Russia to develop the space sector. Specific results have been achieved in this sphere. In February 1995, an accord on cooperation in creating and operating rocket-space and rocket materiel was signed between the Ukrainian and Russian Governments. Having signed this accord, Ukraine received a unique opportunity to join in the development of international space programs as a full member, not an "ammunition carrier." A concrete agreement with the Russian Space Agency to jointly operate "Resurs-" and "Okean"-type satellites has already been reached. The work in this area will make it possible for us to utilize our national OKIKs and upgrade the professional training of our personnel.

Regrettably, cooperation with Russia in this sphere is being maintained only along civilian lines. Russian Military-Space Forces [VKS] are in no hurry to restore previous relations. Obviously, recent years have separated us too profoundly. Over this time, Russian VKS have launched a variety of measures in order to operate space systems without the help of Ukrainian space units.

By the way, there is hope that economic interests will still gain the upper hand over political ambitions and emotions. In Russia today it is understood that it is much cheaper to use rocket carriers — the best in the world — produced in "Yuzhmash" (a Ukrainian factory) than to set up such a factory somewhere in the Urals. In addition, cooperation in the military space area is much more preferable than a dangerous and unproductive standoff. So, why should we dig trenches ... in space?

An ever-increasing number of politicians and military men in our country understand this. Hence, there is hope that Ukraine will be in high space orbit.

Economic Issues

Economics Minister on Restructuring, Goals

WS0109125095 Kiev KIYEVSKIYE VEDOMOSTI in Russian 29 Aug 95 p 6

[Interview with Ukrainian Economics Minister Vasyl Hureyev by I. Titova; place and date not given: "One Can Speak About Economic Stabilization When Banks Believe in Solvency of Enterprises"]

[FBIS Translated Text] **Vasyl Hureyev — the current economics minister — is better known as a specialist of the fuel-and-energy complex, particularly an expert in the issues of saving energy. In the previous government, he also supervised the following basic industries — metallurgical, chemical, transport, communications, and the like. Asked what riches he was promised to accept the ministerial post, he answered: While good results were achieved at the macroeconomic level, especially in the sphere of financial policy, virtually nothing has been done at the level of enterprises. Structural reshaping is the economy's primary problem. However, we started our conversation from more routine matters. Within a month, gasoline prices experienced a dramatic hike and a new cycle of inflation occurred. Who is responsible for that?**

[Hureyev] A lion's share of white [svetlyye] petroleum products is imported. What makes up their price? We have inspected a certain small enterprise. The customhouse price for 95-octane gasoline is 28,000 karbovantsi [K] [per liter]. The company was selling it for K95,000 per liter. Meanwhile, the VAT is only K7,000 and the difference between currency exchange rates [in cash and non-cash transactions] is another K7,000. Hence, the company's markup is K55,000, which is almost twice the customhouse price. This is the principal factor that caused the price hike. I am not going to judge whether traders acted legally or illegally on that occasion, given that there are no established limits on markups. However, why did they do so? Because we have been discussing at the highest level for two months now whether a fund for stabilizing the fuel and energy complex should be established. The

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fund would comprise a 15 percent customs fee, a 20 percent excise tax for white petroleum products, and the like. Traders, who are familiar with the existing practice of antedating resolutions and mechanisms, included anticipated inflation in the price. Everyone would do the same in that kind of situation. While we were still discussing the stabilization fund, traders established it. The government is not to blame for price increases. I believe that it was a provocation staged against the government. The stabilization fund should be established by all means and monopolists should be deprived of the opportunity to make super profits.

[Titova] Will we be able to free ourselves from dependence on Russian energy resources, or will we have to carry that yoke for ever?

[Hureyev] What is dependence on Russian energy resources? Primarily, it is for gas. There is no dependence for oil or oil products, given that there is no national debt. To get rid of the gas debt, we should abandon intergovernmental agreements. If an enterprise acts as a consumer — let it sign direct contracts. In addition, payments for gas and transit costs should be separated. Transit companies should be established, engaged solely in this particular activity and making profits on it. Those engaged in purchasing gas should both buy and ship it. Payments should be decentralized — this is the only resolution. In the future, we may create an energy resources exchange. Energy resources should be freely available. Brokers — either Russian or Turkmen — can sell their products at our exchange. In that case, a market mechanism will be enacted and dependence of the state will be smoothly transformed into dependence of consumers.

[Titova] The situation surrounding the structural reshaping of the economy is acquiring a threatening nature. The volume of industrial production is dramatically dropping. We have been talking for years about the necessity to carry out a structural reshaping. One gets the impression that we simply do not know where to start. Should we start with privatization, bankruptcies, or should we first "put back on their feet" those sectors that can "pull" the economy: the food and light industries that need machines, the industries producing those machines, as well as those producing metal and extracting raw materials for the production of metal — there is an entire chain.

[Hureyev] Restructuring includes privatization and changes in the proprietary status, as well as use of bankruptcy mechanisms and the proclamation of a number of companies that belong to the military-industrial complex as Treasury-owned entities (as happened in Russia). By the way, those entities have existed for years but have not received any official status. For instance, there is a company producing both special equipment for defense purposes and consumer goods. The status of orders received by that company is absolutely different. On the one hand, there is a couple of orders from the Defense Ministry, which are financed by the state budget. On the other hand, the enterprise should be market oriented. On the one hand, the defense industry complex is catastrophically losing high-class specialists; on the other hand, it cannot fully carry out conversion and start manufacturing civilian products. Therefore, separate groups should be set up, comprising certain large enterprises, whose proprietary status should be altered. Those enterprises will then operate efficiently.

There is still another problem — the social sphere. Our industries are overburdened with the latter and companies all but spend their entire profits on its maintenance. Strange as it might seem, our enterprises maintain even power plants that provide heat for settlements and towns. Small power engineering constitutes 40- 50 percent of Ukraine's power production. However, look at its sad shape! Why are company managers responsible for it and not the minister of power engineering? Who has ever examined whether it can provide heat and electric power?

And the final problem — bankruptcies. We have been talking a lot about reforming enterprises, but we cannot cite a single positive example.

[Titova] Restructuring is a costly undertaking which consumes money. Where can we find that money?

[Hureyev] Has anybody ever raised the issue of restructuring the coal industry? We are now working together with the World Bank; we have submitted our draft for their consideration, and if it is approved, the World Bank will cover the expenditures, of course if we demonstrate good will and a desire to work. Unprofitable mines will be closed down, other mines will be modernized to increase coal production. Money from the stabilization fund of the fuel and energy complex will also be allocated for that purpose. Nothing has been changed in the coal mining industry. This is not our fault; this is our fate, and the resolution of problems cannot be postponed any further. Without reforming the coal mining industry, we will not be able to move from the standstill.

[Titova] The Economics Ministry recovery commission continues its work. The commission makes decisions on who should be given funds to support production and on the volume of those funds. Do you not think that no money can help save our economy?

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[Hureyev] Of course not. [as published] I mean preferences cannot resolve the situation. Credit interest rates should be lowered. Currently, when the karbovanets rate has been stabilized and inflation brought down, the rates decreasing, too, and commercial banks have already started issuing credits for enterprises. This is what we have been striving for. When even medium-size enterprises are able to receive credits (and to achieve this interest rates should be lowered), when they are given the opportunity to work efficiently and repay both the credits and interest, when commercial banks believe in the solvency of enterprises — then will stabilization start. It is too early to speak about this today, even though a small number of enterprises have received recovery credits and are able to repay them. Incidentally, many companies failed to convince recovery commissions and commercial banks that they are solvent. I believe that when interest rates are brought down to 20-30 percent, then enterprises will be able to repay credits.

[Titova] Do you not regard as a preference the recent decision to write off unreclaimable debts? What kind of clemency was that? People say that tens of trillions [currency not specified] are involved.

[Hureyev] Of course, this is not a small sum of money for the state, however, here is the essence of the problem: There are unreclaimable credits, which "hang over" enterprises for years, entail huge penalties, and everybody knows that they will never be repaid. In civilized states everything is done in the following way: Promissory notes are issued to debtors, and other entities — including foreign ones — have the right to buy those promissory notes at a discount rate using their property as a guarantee of repaying the credit. At least some progress is then achieved in clearing debts. However, it is not easy to do this in Ukraine, because we could disrupt the privatization system and infringe upon the rights of our own citizens, who are entitled to receive their share of state property.

[Titova] No doubt, you have depicted a beautiful future system of our economy. How much time do we need to achieve it and how much time have you, as minister, set aside for this task?

[Hureyev] It is the Supreme Council who sets aside time for the government. It is hard to say how much time I envision. We need more than one year to stabilize the economic situation. Everything should start from municipal service rates. At present, those rates cover some 30-35 percent of the actual cost of municipal services. There will be more than one social flare-up before the rates are brought in compliance with costs. Meanwhile, industries can no longer cover the difference between the rates and actual costs. By moving the burden onto the industries' shoulders we do not give our people the opportunity to earn money and pay for energy resources out of their own pockets.

[Titova] You have several deputy prime ministers above you. Whose orders are you going to follow? If a minister has so many chiefs, he probably does not feel like a minister at all.

[Hureyev] Both Roman Shpek, deputy prime minister for economic issues, and Viktor Pynzenyk, deputy prime minister for economic reform, are interested in resolving the existing problems. Reforms and economy are inseparable. If deputy prime ministers pursue the same goal, it makes things easier for the Economics Ministry. However, this does not mean that the economics minister has no initiative or the right to speak out. My task is to implement the adopted decisions to the maximum, and if I see that something is going wrong I submit my proposals. Perhaps, this sounds like a hackneyed phrase, but in fact this is how it works.

Karbovanets Exchange Rate Declines

MM0409140595 Moscow ROSSIYSKAYA GAZETA in Russian 1 Sep 95 p 11

[Article by Nikolay Krylov from the "Documents" section: "The Nearer the Hryvnya Becomes, the Lower the Coupon Sinks"]

[FBIS Translated Text]

The Situation

In Ukraine the population is clearly in a hurry to ditch its ersatz money as it waits for the introduction of a real currency.

Mid-August was marked quite unexpectedly by a sharp decline in the rate of the Ukrainian karbovanets, the local interim currency, against both the dollar and the ruble.

The fall of the coupon-karbovanets against the dollar was particularly striking. The coupon passed the 200,000 mark for the first time. That beat the old record at a stroke.

At the same time the ruble, which at the start of August was stable at around 30,000 karbovantsy, suddenly shot up to 40,000. However, the figures that I have cited reflect the general trends in foreign currency dealings in the commercial banks. The stock market value of the dollar rose from 145,000 coupons to 167,000 in a single auction. Panic did the rest, as they say.

It is characteristic that the banks, which were initially prepared to pay between 200,000 and 210,000 for a

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dollar, soon smartly dropped their "purchase price" to 180,000 to the U.S. dollar.

In short, the uproar subsided of its own accord and the National Bank of Ukraine took tight control of the situation and stabilized the karbovanets pretty well, albeit at a lower value. So what had happened in the Ukrainian credit and financial world?

There are several explanations for that. Paradoxical as it may seem, many people see the imposition of a ban on the circulation of foreign currency in Ukraine as the cause of "black Monday." Former "foreign currency stores" quickly switched from dollar price tags to coupons with a string of noughts on the end. Naturally this caused prices themselves to rocket.

There were some curious features, it is true: We were told in Kiev that after the foreign currency stores switched their price tags to coupons they were followed not only by the conventional stores but by the markets as well.

Pre-reform expectations were another factor undermining the coupon, which had outlived its usefulness. To a certain extent this was even beneficial since the official authorities' statements to the effect that the hryvnya will be put into circulation as early as October were taken on trust. Consequently the population, which seems to have become used to living in perpetual expectation of the hryvnya's arrival, reacted in its own way — it energetically ditched coupons and tried to obtain more stable currencies including the ruble. Clearly it is psychologically easier to wait for the hryvnya to arrive when you are holding dollars so that you do not have to exchange coupons for the new money at an as yet unknown rate. Furthermore, modest coupon savings became pointless.

Admittedly, there was another nuance which is not usually mentioned out loud in Kiev. The point is that under cover of the reform that is being prepared a vast quantity of inflationary karbovantsi were pumped into the Ukrainian economy and this also tilted the Ukrainian foreign currency scales to a considerable extent.

Meanwhile a number of experts in Kiev believe that in these conditions a fall in the rate of the karbovanets might even be a blessing because inflationary money would resolve local economic problems and quickly evaporate.

However, some experts hold to a different view. In their opinion the government will have to go on feeding inflation — funds are needed to settle wage arrears which means that the government will continue issuing karbovantsi, which are due to go out of circulation, with all the consequences that this entails for the Ukrainian economy.

Domestic Producers Given Black Sea Shelf Priority

WS0509071495 Lvov INFOBANK in English 0710 GMT 4 Sep 95

[From the "News Service" feature]

[FBIS Transcribed Text] Yevhen Dovzhok, head of Ukraine's State Committee for Oil, Natural Gas and Oil Refinery Industries, has told an INFOBANK correspondent that his committee will complete work on a governmental program for exploration of the Azov and Black Sea shelves by the end of November. Mr. Dovzhok made it clear that Ukrainian companies will be given priority in exploring this region rich in oil and natural gas. Foreign companies will work only in those areas that domestic producers are unable to manage due to technical, technological, or financial reasons.

Ministry: 'Only 5%' of Grain Meets Requirements

WS0509103795 Kiev UKRINFORM in English 0735 GMT 5 Sep 95

[From the "Current Events" feature]

[FBIS Transcribed Text] According to figures from the Ukrainian Food and Agriculture Ministry, the average level of gluten in this year's wheat harvest does not exceed 25 percent, while hyalinity ("glassiness") stands at an average of 45 percent. Such wheat can be classified no higher than class III.

The same is the case for all other grain crops. According to initial estimates by specialists, only 5 percent of the harvest meets the requirements for grains intended for producing flour.

According to intergovernmental agreements signed by Ukraine, about 500,000 tons of wheat and 135,000 tons of flour are to be delivered to CIS countries this year.

As of late August, farmers had sold 4.32 million tons of grains under state contract, while about 1.5 million tons had been stored in state-owned grain elevators.

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Belarus

Political Parties Protest Bombing of Serbian Towns

WS0509103895 Minsk BELAPAN in English 0905 GMT 5 Sep 95

[FBIS Transcribed Text] The Belarusian Patriotic Movement, the Agrarian Party, the Movement for Social Progress and Justice, and other political parties and movements picketed embassies of the United States, Germany, Italy, and the UN representatives in Belarus. The action of protest is held "against barbarian bombarding Serbian cities and settlements and for immediate stopping of the vandalism of the 20th century."

An appeal sent to foreign representatives in Minsk reads: "Bombarding Serbian cities and towns by NATO, death of innocent civilians, and mass destruction caused anger and indignation among all sensible and peaceable people on the globe. The world has been placed at the edge of the global catastrophe — rousing the third and the last monstrous nuclear war. The intention of any sensible politician, of any political party or movement, of all nations is to prevent escalation of violence, rousing religious and ethnic hatred... The way out is possible only through political measures." The appeal was signed by A. Barankevich, chairman of the Belarusian Patriotic Movement; V. Chykin, leader of the Movement for Social Progress and Justice; A. Bandarovich, chairman of the All-Belarus Association of Veterans of the Great Patriotic War; Belarusian Culture Fund Chairman I. Chyhrynaw; writer Shamyakin, Professor Akulaw, and other politicians and cultural figures.

Truck Drivers Blockade Border With Poland

LD0409135995 Moscow ITAR-TASS World Service in Russian 1210 GMT 4 Sep 95

[By ITAR-TASS correspondent Aleksandr Potemkin]

[FBIS Translated Text] Warsaw, 4 Sep — Drivers of trucks which have amassed at the Kuznica-Bialystok checkpoint have announced a blockade of the Polish-Belarus border in protest against the slow pace of work by the border and customs authorities, which are making them wait up to 60 hours before being checked.

Kuznica-Bialystok is the biggest trade checkpoint on Poland's border with the former USSR and at the same time a bottleneck on the "West-East" trade route.

There have been queues many kilometers long at this and the few other border checkpoints since the Bobrowniki-Bierastawica cargo crossing was closed in July.

According to information from Bialystok, the strike committee elected by the drivers today entered talks with representatives of the local authorities, border guards, and customs. It is demanding that the customs speed up operations and that an additional crossing be opened for cars with small or average-sized baggage space.

Lukashenka's Policies Blamed For IMF Credit Delays

WS0509104095 Minsk BELORUSKAYA DELOVAYA GAZETA in Russian 28 Aug 95 p 3

[Report by Pavel Sheremet: "Destructive Conceit"]

[FBIS Translated Text] Members of the Belarusian delegation, who left on Monday [date not specified] for the session of the IMF board held in Washington, were convinced that the Fund will finally allocate credits for Belarus. On Monday, the Fund's experts prepared all the documents and provided positive conclusions on granting Belarus the first tranche of the $32 million. However, on the next day, the experts' opinion sharply changed. Formally, the Fund presented the Belarusian Government with complaints about non-observation of the monetary basis indicator (residual funds on correspondent accounts in commercial banks and moneys kept in people's homes). This demand has not been met by any East European state, since the monetary basis indicator in itself is quite relative and difficult to regulate — all the more so since Belarus's quantitative monetary basis indicator has been determined as of 1 October 1995; meanwhile, the Fund voiced complaints proceeding from the data as of 1 August. Some of the IMF directors spoke in public about the fact that the aforementioned indicator had been unjustifiably imposed on Belarus. After sharp and prolonged negotiations, the Belarusian delegation was convinced that the essence of the problem lies in politics. Being accustomed to the methods of corridor politics, and finding themselves in an information vacuum, the Belarusian leaders were struck by the fact that almost all the Fund's managers knew about the recent events surrounding the strikes in the transport sector in Belarus. We can hardly doubt that the postponement in discussing the issue is connected with the next demonstration of Alyaksandr Lukashenka's governmental skills. Once again the West insulted the first Belarusian president by postponing the decision on the issue until the beginning of September. The charm of the president, beloved by the nation, unfortunately has no impact on cold and prudent sharks of world capitalism.

What is interesting in this story, and in particular in the new Belarusian leadership's relations with international finance organizations, is our leadership's self-determination in its attitude toward the IMF. The pathological vanity of "homo Sovieticus," and his inability to

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adequately perceive the outside world has been known for a long time, since that time when white had to be called black. Currently, it has been deepened by the fact that people who were raised on the principles and the ideology of a great empire cannot comprehend that the sphere of their activities, influence and importance has shrunk to the size of a small state. This is also the reason for unjustified ambitiousness: To take the money without saying even "thank you," which as a matter of fact is an indicator of an inferiory complex.

Every system exists and operates in accordance with defined standards and developed programs. Therefore, the IMF's demands to implement those methods which brought economic prosperity to Western states are only natural for states which can only present their recollections of the radiant future [communism]. If one does not agree with these methods, one should present one's own. If one accepts somebody's money, one should meet the creditor's conditions.

Three years ago Belarus obtained $100 million, the money disappeared; meanwhile the economic condition of the state continue to deteriorate. One year ago, the newly established government drafted a reform program, almost none of the program's points has been accomplished. Alyaksandr Lukashenka explains the West's unwillingness to help Belarus by the first Belarusian president's independent position. However, Western experts and others ask: Where is the logic of this position? A central-European "dragon" has adopted Asiatic methods of political combat, but has forgotten to adopt their experience of economic reform. And currently, nobody in the world forgives petty tyranny. The saddest thing about this is the fact that nobody is going to fight with us; they will simply forget about us. We certainly will receive some money, but Belarus should return around $160 million by the end of the year in the form of interest on credits acquired earlier; no more than that.

The problem lies not in the fact that there is nobody to obtain resources from, except the West. It lies in the fact that East European and CIS states receive significantly more than we ask for. The point is that nobody in the presidential team knows in which direction to move, and this is evident.

At the moment, the Treasury is empty, the same as precisely a year ago. Factories — which the president, in the preelection heat — promised to put back in operation are still idle; this is dangerous. Foreign investors do not rush to Belarus, while domestic entrepreneurs are being demoralized. Alyaksandr Lukashenka is a master of political intrigues; nobody comes close to him in that regard. One can deceive the world, the nation, and oneself, but the essential rules of development cannot be deceived. As for the IMF, it is only an external reflection of internal disorder in the state.

Lukashenka Suspends Union, Parliamentary Immunity

LD0109125295 Moscow INTERFAX in English 0947 GMT 1 Sep 95

[FBIS Transcribed Text] Minsk, Sept 1 (INTERFAX-WEST) — Belarusian President Alyaksandr Lukashenka signed a decree, dated August 21, suspending parliamentary immunity of MPs and members of local legislatures.

A source in the presidential headquarters told INTERFAX that the decree is designed to promote political and economic stability, overcome the inconsistencies in the acting legislation and Constitution, instill discipline, law and order and prevent illegal strikes.

The source added that the decree suspends the Free Trade Union and the Minsk subway trade union which organized the August 17 strike.

Under the decree, political parties, interest groups and trade unions involved in strikes in vitally important industries and services such as passenger transport will face a ban on their activities.

Experts in Minsk say that the document vindicates the law enforcement agencies which detained about 30 strikers, Sergey Antonchik, the leader of the Free Trade Union, MP, and Gennadiy Bykov, a Free Trade Union activist and member of a Minsk district council, and held them in the barracks of interior troops for days.

Lukashenka Warns Media Against 'Disinformation'

WS0109143795 Minsk Radio Minsk Network in Belarusian 1200 GMT 1 Sep 95

[FBIS Translated Text] President of Belarus Alyaksandr Lukashenka has sent a letter to chief editors of newspapers, as well as heads of information agencies, and other media in our country. In his letter, the head of state point out the fact that, following the May referendum and on the eve of parliamentary runoffs, some media have entered the path of direct non-observance of those provisions of the Republic of Belarus' law on printing and other information media which pertain to the responsibility of editorial staffs and journalists for providing the population with truthful and verifiable information.

The circle of disinformation deliberately includes concrete state leaders of [word indistinct], law enforcement bodies, as well as control services of the Supreme

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Soviet, the government, and the president of Belarus. Alyaksandr Lukashenka underscores in his letter that editorial staffs of newspapers, television, and radio distort the referendum results, the orientation of domestic and foreign policies of the state, as well as the sense and contents of a number of measures adopted in the education system and in the sphere of ensuring the social stability in the Republic.

The president is worried by the fact that the promotion of human [word indistinct], decency, dutifulness, and responsibility before the people and the fatherland is being replaced by pseudopolitical twaddle of the so-called new culture, which is far from social demands.

As the head of state, within the framework of his powers, Alyaksandr Lukashenka considers it necessary and urgent to draw attention of media managers to the existing problems and expresses his hope for a change of climate in the information area of Belarus for the sake of stability in our society and prosperity of the Belarusian people.

Lukashenka: Move Toward Market Socialism

LD0409185495 Moscow INTERFAX in English 1547 GMT 4 Sep 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Belarussian President Alyaksandr Lukashenka said that Belarus will build "market socialism." He told a meeting in Gorki, Mogilyov region in the country's northeast, marking the 155th anniversary of the Belarus Agricultural Academy that he means society with a high degree of social protection, a strong material and moral motivation to work, without shortages or queues, society where the market laws act on a scale making the production and distribution effective.

Lukashenka explained that Belarus will not mechanically follow in anybody's footsteps because it has its own history, traditions and vision of the future.

He described the economic situation as difficult. On the other hand, Lukashenka said, there are signs of positive changes. He said that inflation has been reduced to 5.3 percent and will drop to 1 percent a month towards the end of the year (IF Note: it was over 50 percent last January).

Lukashenka emphasized that the production decline has somewhat slowed down and the output has somewhat increased in certain sectors. In his words, the oil refineries increased their output to 116.5 percent of the January-July 1994 level. The chemical and petrochemical industries have increased their output by 13.5 percent, the output of synthetic resins and plastics has increased by 30 percent, of mineral fertilizers by 30 percent and of paints and varnishes by 21 percent, Lukashenka said.

In his words, the shortage of working capital pushes the Belarussian agriculture into crisis. As few as 2.7 percent of collective and state-owned farms have sufficient working capital to carry out every stage of the agricultural process more or less properly, Lukashenka explained.

He said that the remaining farms either cannot pay their debts, electricity bills and taxes while others cannot even purchase fuels and fertilizers. Lukashenka blamed this on the former policy of populism.

Lukashenka described the existing financial relations as unfit to serve a regulated market or the commodity-cash relations in agriculture. In his view, a new pricing and financial-and-crediting policy must encourage production to keep the country self-sufficient in foodstuffs.

This policy, he continued, should keep the incomes of farmers at a level encouraging them to increase the production, making the social standing of the urban and rural population more or less equal and encouraging wide use of technological achievements.

Reforming the land property relations is the key issue, Lukashenka said. He called for maintaining the advantages of large farms and production concentration and specialization.

IF Note: The Belarussian Agricultural Academy employs 2,060 personnel, in particular 643 instructors and researchers, notably 25 professors and doctors of sciences and 302 associated professors and candidates of sciences. Nearly 9,000 students are trained by seven schools in 22 skills.

Lukashenka is accompanied by Deputy Prime Minister Syarhey Linh, the president's chief of staff Ivan Titenkov, Ecology Minister Mikhail Rusy [name as received], all academy graduates, and Agrarian Party leader Semyon Sharetskiy.

According to Petr Kapitulo, head of the analytical board in the presidential headquarters, the government has succeeded at nearly all steps in the president's program of pulling the country's economy out of the crisis, especially as far as monetary, crediting-and-financial and budgetary policies are concerned.

He told journalists Monday that the government has succeeded in bringing inflation down from 50 percent early in the year to 2 percent-5 percent while the wages more than doubled since last April. Kapitulo believes that the real incomes have significantly increased.

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Kapitulo also said that for nearly a year Belarus has been paying Russia for fuels. The present government inherited from the previous (IF Note: Vyacheslav Kebich's) one a $1 billion debt on a foreign credit and nearly $450 million of current debts, of which over $400 million has not been paid.

Kapitulo explained that if Belarus continued not to pay for gas and oil, the population could have more money but debts have to be paid, sooner or later.

Kapitulo admitted that the government has not succeeded in having the production decline reduced to 3 percent-5 percent by the middle of the year. In the first half of the year the production decline was 12 percent but even so this is just one half of the decline in the same period last year, Kapitulo said. In his words, in three years most factories were not prepared to operate in a real market.

Popular Front, Trade Union Leaders Assess Edicts

WS0509071295 Minsk BELAPAN in English 0743 GMT 4 Sep 95

[FBIS Transcribed Text] The press secretary of the BPF [Belarusian Popular Front] Syarhey Navumchyk stated to BELAPAN, "The Popular Front estimates the prohibition of the activity of the Independent Trade Union and the local organization of the official trade union as an anticonstitutional act. We feel sorry that the president does not seek concord with organizations but seeks tension." As far as the stopping of the effect of some articles of the Law on the Deputy of the Supreme Soviet and Local Soviets concerning the deputies immunity is concerned, Mr. Navumchyk noted, "The deputies of the opposition have always believed that a deputy, just as any other citizen must face the same responsibility if he violates the legislature. However, the inviolability of deputies is provided by Article 93 of the Constitution and by a range of laws. According to the Constitution, the president has no right to change either the Constitution or the Law. We are absolutely sure that he does not mean deputies of local Soviet but politicians — his opponents. Now one can be able to intercept opposition leaders' telephone calls, to search and to arrest them absolutely legally. It is sad that the president stating the necessity to hold 'round-table talks' uses such methods against his political opponents. This decree is the continuation of the repressions started on April 12 when we were beaten up straight in the building of the Supreme Soviet. I have no doubt that the Constitutional Court will keep silent as usual and the majority of the Supreme Soviet will 'absorb' the decree. But we want to warn the President that the violation of the Constitution by the head of the executive power who took his oath on the Constitution will do the country no good," said Syarhey Navumchyk on behalf of the BPF.

Chairman of the Belarusian Labor Party Alyaksandr Bukhvostaw commented on the Presidential Decree "On Measures To Provide Stability, Law and Order in the Republic of Belarus." He believes that the decree "completely violates both the Constitution and the Law on Trade Unions. On September 1 the sitting of the Federation of Trade Unions took place where the problem was considered. Our reaction to the decree was distinctly negative." The Council of the Federation of Trade Unions has planned its activity as far as the publication of the decree is concerned. Mr Bukhvostaw said, "We shall address the Constitutional Court so that the Court would initiate considering the unconstitutionality of the decree." Mr. Bukhvostaw stated the problem of trade unions cannot be resolved by power because this "will cause an extraordinary increase of social tension." Mr. Bukhvostaw accused the executive power (mainly the Cabinet) that "they do not fulfill a range of agreements that we achieved with the government: the financial standing of enterprises is not improved, the wages are not paid in time, collective contracts are violated. In this situation we will hardly be able to resolve any problems including round-table talks."

At the request of a BELAPAN correspondent, the leader of the Belarusian Independent Trade Union Henadz Bykaw commented on the situation, "Firstly, we will address to the Supreme Soviet to make up the text of the address to the Constitutional Court. Secondly, the Federation has been ordered to prepare a slip-knot for itself (I mean the instruction to the Cabinet and the Federation of Trade Unions). It means to prepare the amendments to the legislation, according to which the serious, real activity of trade unions would be prohibited and the fictuion [as received] of the work would remain. The play of the Federation in which they pretend to demand something and the government pretend to implement their demands has led the Republic to the present economic state and is leading it to dictatorship." Mr. Bykaw believes that due to the decree "the Republic will not see the stand-by credit from the IMF. Anyway, the poor image of the Republic of Belarus appeared before will be confirmed and will do much harm to the country." In spite of the stopping of the activity of the Independent Trade Union, it will continue its work, believes Mr. Bykaw. "We explain our position to our branches so that they would feel sure and will secure discharged people".

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Moldova

Dniester's Smirnov Interviewed on Anniversary

MM0109130195 Moscow ROSSIYSKAYA GAZETA in Russian 1 Sep 95 p 7

[Interview with Dniester Moldavian Republic President Igor Smirnov by RIA-NOVOSTI correspondent Georgiy Stoylik "especially for ROSSIYSKAYA GAZETA"; date, place not given: "Will the Dniester Region Survive?" — first two paragraphs are introduction]

[FBIS Translated Text] Inhabitants of this small republic, which is dubbed by its opponents "self-proclaimed and unrecognized," are asking themselves this question by no means out of idle curiosity.

Nevertheless, despite the political and economic blockades that have hit the republic, it is alive. On 2 September it will be five years old. Dniester Moldavian Republic President Igor Smirnov draws a few conclusions on this occasion.

[Stoylik] Igor Nikolayevich, let us start with the achievements. What has the republic gained in the five years since its proclamation?

[Smirnov] To talk about achievements would be a great exaggeration. The main point is that the state has been formed. It guarantees everyone who lives here an opportunity to speak in their native tongue and rules out any interethnic conflicts as unacceptable.

The Dniester Republic was created as a counterweight to symptoms of nationalism. Today it can be said that this fact has significantly influenced the world view of many people in Moldova itself.

As for the economy, we, just like everyone who prospered in the former Union, have nothing special to boast of. Our life is very difficult. Not only because we have not been recognized, but also because the rules for running economies in the former USSR republics have not yet been established. This is our common misfortune.

[Stoylik] What questions in relations with Moldova will be resolved by the forthcoming meeting between the Chisinau and Tiraspol leaderships, scheduled for 13 September?

[Smirnov] We will probably discuss the memorandum on establishing state law relations between us that was submitted by the Dniester side. Moldova must recognize the fact that we exist. We propose to examine in detail a broad spectrum of our relations, including relations between the law enforcement systems and judicial systems and extending to relations in the sphere of culture and art. And I hope that the conversation will be substantive. If Moldova again puts up conditions that are unacceptable to us, well, we will seek a compromise jointly. There is quite simply no other way out.

[Stoylik] And how are the Dniester Region's relations with Russia developing?

[Smirnov] Russia is for the Dniester Region and that is that. Russia stopped the bloodshed and, by sending in peacekeeping forces to the Dniester Region, did not let us be swept off the land. And our industry is totally linked to Russia. True, there is a certain element which has severely hit our economy. The problem is that last year Moldova turned down Russian credits, some of which extended to us. We cannot officially receive them independently, bypassing Moldova, which is increasingly geared toward the West, especially the IMF.

We were also invited to cooperate with the IMF. But I am surprised by the West's double standards with regard to Moldova and to us.

[Stoylik] Igor Nikolayevich, all the same let me put the same question to you again. Do you think that the Dniester Region will survive in the conditions of the continuing blockades? Political and economic blockades....

[Smirnov] It will survive! There is quite simply no other way out. We are destined to survive. We are not nurturing any illusions; we are perfectly well aware that only our own labor can save us.

Dniester To Maintain Agreement-Based Ties

LD0209162695 Moscow INTERFAX in English 1303 GMT 2 Sep 95

[FBIS Transcribed Text] Tiraspol, Sept 2 (INTERFAX) — The Transdniesetrian Moldovan Republic will maintain agreement-based relations with Chisinau, Igor Smirnov, the president of this self-proclaimed republic, told journalists. Smirnov attended a parade devoted to the 5th anniversary of the foundation of his republic.

He said Transdniester does not intend to isolate itself from other states and has concluded economic agreements with 60 Russian regions.

He also said that there are 53 enterprises in Transdniester set up jointly with Ukraine and 86 set up jointly with Russia.

The parade was also attended by State Duma deputies, among them Sergey Baburin, Tamara Leta and Viktor Zorkaltsev.

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Russian Troop Commander Denies Arming Militants

LD0209202095 Moscow ITAR-TASS in English 1940 GMT 2 Sep 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] Moscow, Sep 2 (ITAR-TASS) — Lieutenant-General Valeriy Yevnevich, commander of the Russian troops in the Dniester region of Moldavia, denied on Saturday media reports that the weaponry of the former 14th army has been handed over to Dniester militants.

In an exclusive interview with ITAR-TASS, Yevnevich said there has been no order from the Defence Ministry to transfer the army's weapons or hardware to any party, adding that all armaments are safely stored in heavily guarded depots.

Dniester region leader Igor Smirnov also denied these reports, describing them as groundless. In an interview with ITAR-TASS, he blamed them on "former army commander Aleksandr Lebed who is making a foe out of the Dniester region for his propagandistic proposes."

During his visit to the region in June, Russian Defence Minister Pavel Grachev pointed out that the leadership of the Dniester region was treating the Russian army well and did not claim any special status.

At the same time, Smirnov said that shells and mines left after the reorganisation of the 14th army should be recycled, rather than exploded, in order to bring a profit. However, he admitted that the Dniester region has neither the technologies, nor funds to do so.

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Kazakhstan

Toqayev Dismisses U.S. Concern Over Totalitarian Rule

LD0209162395 Moscow INTERFAX in English 1303 GMT 2 Sep 95

[FBIS Transcribed Text] Almaty, Sep 2 (INTERFAX) — "The anxiety of some circles that Kazakhstan is entering a period of totalitarian rule is unjustified," the republic's Foreign Minister Qasymzhomart [Toqayev] declared in an exclusive interview with INTERFAX on Friday [1 September].

"Democratic values have always underlain Kazakhstan's home and foreign policies," he said, commenting on a statement released by the U.S. embassy in the republic at the end of the constitutional referendum in Kazakhstan on August 30.

On August 31, the U.S. embassy voiced concern that Kazakhstan's Constitution disregards some universally accepted democratic principles, and the degree of democracy in that republic is crucial to U.S. relations with it.

The experience of many countries "Eurasian and Asian alike, confirms that Kazakhstan needs a strong presidential power."

"The adoption of the new constitution cannot affect Kazakhstan's foreign policy in any way," he stressed, adding that even earlier, the republic had been led directly by the president, "the architect of the country's foreign policy and diplomacy." "The constitution reiterates this point one more time," Toqayev said.

"Whether someone likes it or not, Kazakhstan will from now on live by the democratically adopted new constitution," Toqayev stressed. "About 90 percent of the more than 8 million referendum participants voted for the constitution" he declared.

On relations between Almaty and Washington, the minister said "they will hardly change much and on the contrary will get a fresh impetus."

"We maintain the closest contacts, covert and overt, with the U.S. administration," Toqayev revealed.

"We are certain that democratic partnership, fixed in the charter, signed between our countries in February of 1994, will get stronger," he emphasized.

"As an advocate of democratic values, Kazakhstan may play an important role in Central Asia, which has been repeatedly acknowledged by the United States leadership, too," Toqayev said.

Almaty's Decision To Use Turkish Pipeline Viewed

LD0409151095 Almaty DELOVAYA NEDELYA in Russian 25 Aug 95 pp 1-2

[FBIS Translated Text] The results of the recent visit of Turkish Prime Minister Tansu Ciller to the post-Soviet states of Central Asia and Kazakhstan can be regarded as sensational. The sensation, moreover, has been prepared slowly but surely by Ankara. The statement by Kazakh President Nursultan Nazarbayev and the charming Ciller in Almaty truly sounded the death-knell of the CPC — the Caspian Pipeline Consortium (with incidentally includes Kazakhstan, as well as Russia and Oman).

As Nazarbayev declared at the end of talks, Kazakh oil will be exported to the West by a new pipeline through Turkey, and not through Russia. In fact, this means nothing less than Kazakhstan's departure from the geo-strategic system of fuel exports via Russia.

No intergovernmental agreement on transporting Kazakh oil to the Mediterranean Sea through Turkey was signed in Almaty. All the same, the document had not been finalized by that time. However, the ministers of the oil and gas industry signed a relevant protocol. It even contains an appeal to other countries to join the project. Everything is practically sorted, then. There remains one delicate question, it is true — the financing. The construction of the pipeline is planned to cost $2.5-3 billion and to last about three years. However, the general idea of having the "geo-political freedom" to leave Russia out of the oil transport system could seriously interest investors. As Nazarbayev said, the construction of the pipeline can be financed "by international organizations, and big companies from Azerbaijan, Turkmenistan, the Caucasus countries and Russia." Mentioning Russia in this list is particularly piquant. Nazarbayev's statement on the effective departure from Russia's traditional geo-strategic oil export system (as it should correctly be regarded) came only a few days after the CPC leadership, made up of Kazakhstan, Russia, and Oman, announced the beginning of the construction of the first phase of the export pipeline from Kazakhstan to the Black Sea via Russian territory. It is true that Nazarbayev's behavior allows for speculation that he is somewhat dramatizing the situation: Bluffing can sometimes bring benefits in a big political game.

The suspicious silence from one of the main developers of the Tengiz oil field — the American Chevron — is worthy of attention: It is almost as if it did not concern them. It is well known what couloir and open efforts the Chevron people have made in their struggle against the Russian-Kazakh-Omani joint venture (They were above all unhappy at Oman's participation). One can

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only assume that Chevron's efforts in Kazakhstan have not been wasted.

The construction of the first phase of the CPC is to cost $350-400 million, or ten times less than the Turkish pipeline. The plan was to lay 250 km of pipeline from Kropotkin (Krasnodar Region) to the new terminal north of Novorossiysk. Oil would have been moved through the existing pipeline (with relevant reconstruction) via the Tikhoretsk oil pipeline junction to Kropotkin. Oil would have come to Tikhoretsk from Russia, Azerbaijan, and west Kazakhstan. According to the CPC plans, after putting the first phase of the pipeline into operation (by January 1997, as planned), it will be possible to export up to the 15 million [tonnes] of oil and crude from Azerbaijan and Kazakhstan. It should also be possible to move oil from the Tengiz oilfield and from Azerbaijan's Caspian fields, with a total volume of up to 62-75 billion [tonnes]. This would give Russia decent dividends in terms of transit payments, a question on which Ankara has always had its own views.

There is reason for supposing that the turning-point in these events came at the beginning of the summer. It was then that information emerged from Turkish President Suleyman Demirel's entourage that during a visit to Almaty he had managed to persuade Nazarbayev that the Kazakh oil pipeline should run specifically through Turkey.

One of Turkey's aims is to create on its territory a unified transportation network not only for Kazakh but also for oil from the Caspian International Oil Consortium. Azerbaijani and Kazakh oil (140 million and 182 million barrels per year, respectively) will flow together to the Turkish Mediterranean deep-water port of Ceyhan in total for the tidy round sum of $5.5 billion. Should the Iraqi oil export embargo be lifted and the pipeline from Kirkuk (in Iraq) to Yumurtalik (in Turkey) be reopened, the value of the oil transported through Turkey would suddenly jump to $14 billion per year. The transit payments would in this case be such a high stake that almost any geo-political game would be worth the risk. A $500 milion net income just for letting oil pass through its territory, plus a $3 billion cut in spending on oil imports — this sum would allow Ankara to turn down foreign credits for fuel imports. This is without mentioning control of the "oil valve," a geo-political factor which it is difficult to overestimate.

Thus another important step has been made in turning Turkey into a real regional superpower. The new 300 million credit from Ankara to Almaty (in addition to the previous credit for the same amount and the $2 billion of direct Turkish investments in the economy of the [Kazakh] republic) is a little down-payment for a far-reaching promise. Ciller's very successful talks in Kyrgyzstan and Turkmenistan were a fitting addition to the negotiations in Kazakhstan.

Activists Ask France To Halt Nuclear Tests

LD0409165495 Moscow INTERFAX in English 1457 GMT 4 Sep 95

[FBIS Transcribed Text] Almaty, Sept 4 (INTERFAX) — About 20 activists of the international anti-nuclear movement Nevada-Semipalatinsk rallied near the French embassy in Almaty Monday [4 September].

Nevada-Semipalatinsk Executive Secretary Aman Mustafin told INTERFAX that his movement protested against France's resumption of nuclear tests on the Mururoa Atoll.

The demonstrators appealed to French President Jacques Chirac and the people of France to stop the tests and prevent them in future.

"The Kazakhs closed the Semipalatinsk test ground forever. We want the rest to close forever as well," Mustafin said.

Prior to this, the movement rallied on the Kazakh-Chinese border on August 6, the anniversary of the atomic bombardment of Hiroshima in 1945, demanding an end to nuclear tests at China's test ground Lop Nor.

New Constitution Approved; Russian Speakers Concerned

MK0509054595 Moscow KOMMERSANT-DAILY in Russian 31 Aug 95 p 4

[Report by Aleksandr Botov: "'Lad' Is Out of Tune With the New Constitution"]

[FBIS Translated Text] As expected, the referendum on Kazakhstan's draft constitution has passed without excesses. By midday, more than 45 percent of the republic's citizens had voted, which in effect predetermined the success of the event. Three hours later, it became clear that the plebiscite, which crowned a six-month process of forming a new fundamental law, had come to pass.

The only thing that marred somewhat the triumph of Kazakhstan President Nursultan Nazarbayev was the reaction to the referendum on the part of the Russian-speaking population in the republic's north. The fact is that, on the eve of the public declaration of intent, many residents of Northern Kazakhstan found in their mail boxes leaflets signed by activists of the "Lad" [Harmony] Slavic movement and the Kazakhstan Communist Party's oblast branch calling on them not to approve the draft constitution. In its timing and its

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spirit, Lad's demarche coincided with a statement by Konstantin Zatulin, chairman of the Duma Committee on CIS Affairs and Liaison With Compatriots, who is known for his tough statements in defense of Russian speakers' rights in the post-Soviet space.

On Tuesday [29 August], Zatulin sharply criticized the draft constitution, adoption of which, in his opinion, could lead to an even greater migration of Russian speakers from Kazakhstan to Russia. It will be recalled that until recently about 6 million Russians (37 percent of the republic's overall population) lived in Kazakhstan. Significantly, the bulk of them lived in compact settlements in the country's industrial north. In recent years, however, Almaty was confronted with a serious problem: Russians, oftentimes qualified industry specialists, began to leave for Russia. The reasons are the same as in the majority of other republics of the former USSR: economic problems and rejection of the new citizenship status, which is closely related to the ethnic question. It was in this latter respect that Zatulin criticized the new Kazakhstan constitution, saying that it does not provide for dual citizenship and proclaims Kazakh the sole state language. At the same time, Russian receives the status of an official language, i.e., a language that is acceptable in both records and education.

Thus, the situation in which the majority of ethnic Kazakhs communicate predominantly in Russian will not change. Perhaps the only change has been Nazarbayev's statement that the republic's leadership aspires to revive the little-used Kazakh language. This wish is quite reasonable and natural. It is another matter how this "revival" will affect the position of Russian speakers.

Nazarbayev: New Constitution Allows State Consolidation

LD0109191495 Moscow INTERFAX in English 1547 GMT 1 Sep 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Kazakhstan has adopted a new constitution, Kazakh President Nursultan Nazarbayev told media people Thursday [31 August] in Almaty.

Nazarbayev cited a preliminary count by the Central Electoral Commission to prove that most citizens (89.1 percent of those who took part in the constitutional referendum) approved the draft constitution. As many as 90.15 percent of all registered voters voiced their view of the draft.

According to Nazarbayev, the new constitution "makes it possible to consolidate the state by drawing a line between the branches of power, and get rid of the Soviet power structures with their erroneous idea of all power to the Soviets."

He intends to "promote democracy by protecting the human rights, the producer's rights, etc.," Nazarbayev said.

There will be no delays with the adoption of new legislation on parliamentary elections and the appointment of Cabinet members, he also said.

Parliamentary elections will be held "as soon as possible" this year.

Nazarbayev praised the performance of Kazakhstan's present government and said he had no intention of unseating Prime Minister Akezhan Qazhygeldin. Toward the end of September the government will be expected to report on its efforts of the past ten months and reveal a program of action for the next three years, Nazarbayev said.

A number of opposition parties in Kazakhstan have said that the referendum on Kazakhstan's new constitution failed to take place.

The Communist Party, the Workers' Movement, the Human Rights Committee, the Russian Community and a number of other parties and movements told a news conference in Almaty Friday that the turnout for the August 30 referendum was no more than 34 percent, and not 90.51 percent, contrary to what the central commission for holding the referendum said.

Human rights committee chairman Oleg Abrayev has said that observers from public organizations counted all those going to the polls and that in certain cases one person voted for the whole family.

Abrayev said that fifteen hundred observers from opposition public organizations monitored the elections at 622 polling stations.

Referendum commission chairman Yuriy Kim said in an interview Friday that claims by opposition parties and movements the referendum had failed to take place were not serious.

"One cannot make a conclusion on the national referendum on the basis of reports by individual observers, even if they inspected 622 polling stations. There were a total of 10,253 polling stations in Kazakhstan", Kim said.

The referendum commission chairman is uncertain how diligent those who counted the voters were. Those observers were not present at the polling stations from the opening to the close.

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"I talked to such counters at some polling stations. They said that they began to count voters at ten in the morning, whereas the voting began at eight," Kim said.

"Apart from that the protocols compiled by the counters were not certified documentarily or authorized by members of the local commissions or voters who took part in the referendum", Kim said. "Counters' statements are biased and I deny them", he said.

Kim said that according to early reports the voting took place all over Kazakhstan and there was not a single polling station where the turnout would be less than 50 percent of the electorate.

The referendum was monitored by nine foreign representatives from Canada, Hungary, Ukraine, Egypt, Romania and Tajikistan and 928 observers from Kazakh public organizations and political parties.

"Not a single observer complained about election-rigging or violations of the voting procedure", Kim said.

Opposition Parties Claim Constitutional Referendum Invalid

LD0109142695 Moscow Russian Television Network in Russian 1000 GMT 1 Sep 95

[From the "Vesti" newscast]

[FBIS Translated Text] A number of opposition parties in Kazakhstan said today at a news conference in Almaty that the referendum on the adoption of a new republican constitution had been invalid. Opposition representatives quote their own observers according to whom no more than 34 percent of the voters, rather than the officially reported 90 percent, took part in the referendum. The Central Electoral Commission of Kazakhstan has categorically refuted this information.

Tajikistan

Rakhmanov Praises Russia's Role in Settling Conflict

LD0109154595 Moscow INTERFAX in English 1206 GMT 1 Sep 95

[FBIS Transcribed Text] Dushanbe, Sept 1 (INTERFAX) — Tajik President Emomali Rakhmanov received Mecheslav Senkevich, Russia's ambassador to that country, in Dushanbe Friday [1 September].

Rakhmanov's press secretary Davlatali Davlatov told Interfax that the two men discussed behind closed doors a wide range of issues in trade and economic relations between Russia and Tajikistan, strengthening Tajikistan's defenses and stepping up the protection of the Tajik-Afghan border.

They also discussed the 5th round of talks between the Tajik government and opposition scheduled to start on September 18, probably in Ashgabat.

Rakhmanov praised the role Russia plays in trying to resolve the conflict. He said, in particular, that no other great power can have such a major role to play in providing stability in Central Asia.

Davlatov did not rule out the possibility that Rakhmanov will go to Moscow in the middle of next week at the invitation of the Russian government.

Rakhmanov is expected to negotiate in Moscow bilateral trade and economic cooperation and discuss issues in talks with the opposition.

Special Army Brigade Attacked in Kurgan-Tyube

LD0109141595 Moscow INTERFAX in English 1206 GMT 1 Sep 95

[FBIS Transcribed Text] Dushanbe, Sept 1 (INTERFAX) — Masked gunmen opened fire on the compound of the 11th special Tajik army brigade, based in a suburb of Kurgan-Tyube, the center of the Khoatlon region in southern Tajikistan.

As Lieutenant-Colonel Vasiliy Likholet, head of the Tajik Defense Ministry's press center, has told Interfax, the unit suffered no casualties, nor did it return fire.

According to Likholet, after the raid, the attackers, whose number has not been specified so far, have gone into hiding apparently in a nearby hamlet. The motives of the attack are unclear.

"It may have been launched by a criminal gang or by an opposition grouping in a bid to provoke government troops into retaliatory actions and thereby destabilize the situation in the region," the spokesman said, adding, however, that "there has been no evidence to prove that so far," he added.

Following the incident, Major-General Aleksandr Chubarov, republican deputy defense minister, arrived in Kurgan-Tyube today. All troops in the city have been placed on high alert.

A commander of the Dushanbe-based 201 Russian division has told Interfax that the division's squad, deployed in the Lomonosovo community near Kurgan-Tyube "has tightened up security around its facilities because of the happening."

Meanwhile, a well-placed source in Dushanbe has suggested to INTERFAX that what happened was "an internal squabble between servicemen of the 11th special brigade and combatants of the first battalion of

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the republican Defense Ministry." However, the defence ministry spokesman has not confirmed that.

Deputy Defense Minister's Helicopter Attacked

LD0109162195 Moscow ITAR-TASS World Service in Russian 1420 GMT 1 Sep 95

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Translated Text] Dushanbe, 1 Sep — Military sources in Dushanbe told an ITAR-TASS correspondent that a military helicopter with First Deputy Defense Minister Aleksandr Chubarov on board was shelled by unknown attackers this morning. This happened as the helicopter was approaching the town Kurgan-Tyube about 100 km from Dushanbe, where the general was heading for business. The crew and the country's deputy defense minister safely landed on the runway of the 191st Russian Motor-Rifle division from the CIS joint peace-keeping forces, which is based in Kurgan-Tyube. An investigation has been launched into the incident.

Situation Near Kurgan-Tyube 'Normalized'

LD0109192295 Moscow ITAR-TASS World Service in Russian 1630 GMT 1 Sep 95

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Translated Excerpt] Dushanbe, 1 Sep — The situation in the administrative center of Tajikistan's Khatlon Region, the town Kurgan-Tyube, which deteriorated this morning because of the armed incident between the two special purpose teams of the Tajik Defense Ministry, had normalized and was under full control of the local law enforcement units. By an edict of Tajik President Emomali Rakhmanov, the APCs have returned to the bases of these military units. A thorough investigation has been launched into the incident, military sources in Dushanbe told an ITAR-TASS correspondent. [passage omitted]

Commenting on the armed incident, a local military expert said that it had been caused by a three-month-long opposition between former colleagues of the People's Front Party, which brought the current Tajik government into power. They are now fighting for spheres of influence over the region's material and technical resources: cotton, wheat, and oil products. The expert said the local mafia, the so-called "third power," had made use of the situation and orchestrated it. The situation intensified after the events this May when a number of servicemen from both units were killed. The commanders of both units blamed each other for this. Rakhmanov repeatedly pointed out the danger of keeping two huge military garrisons in the small town. He signed an edict two months ago on redeploying these two teams to the country's other regions before 1 September. However it is not yet known why the presidential edict has not been fulfilled.

In an interview with the local newspaper BIZNESS I POLITIKA, the Tajik defense minister described the decision on the withdrawal of these military units from Kurgan-Tyube as "somewhat premature" because of a number of reasons. There is no material and technical basis in the new places of stationing. Another important reason for the delay in redeployment is the serious situation on the southern direction of the border where Tajik opposition rebels had been concentrating their forces. It is not ruled out that they would try to break through the border near Kurgan-Tyube. The defense minister believes that the two units could become a restraining force in this.

Turkmenistan

Niyazov, Iranian Oil Minister Discuss Oil Pipeline

LD0509120495 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 5 Sep 95

[FBIS Translated Text] Iranian Oil Minister Gholam Reza Aqazadeh-Kho'i met and conferred with the Turkmen President in Ashgabat today. At the meeting, President Niyazov spoke of the two countries' good relations and expressed gratitude for Tehran's cooperation in the reconstruction of Turkmenistan.

Mr. Aqazadeh-Kho'i, for his part, stressed the need for increasing bilateral and regional cooperation and conveyed Iran's readiness to begin work on the construction of the pipeline for transferring Turkmen gas. According to the central news unit, oil cooperation between the two countries with regards to the construction of the pipeline for the transfer of Turkmen gas, the reconstruction of the Turkmen-Bashi gas refinery, and putting the Siri refinery into operation were discussed at the meeting.

$215 Million Oil Deal Proposed

LD0409195595 Moscow ITAR-TASS in English 1932 GMT 4 Sep 95

[By Anna Kurbanova]

[FBIS Transcribed Text] Ashgabat, September 4 (ITAR-TASS) — Iran Oil Minister Gholam Reza Aqazadeh-Kho'i came to Turkmenistan on Monday [4 September] to submit to the republic's government a joint pipeline construction proposal estimatedly worth 215 million dollars. A Turkmen expert team has already put up the project assessment, vice-premier Khekim Ishanov [name as received] said.

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The 40-kilometre-long pipeline which is to connect the gas-field of Korpedzhe in the ex-Soviet Central Asian republic and the locality of Kurt-Kui [placename as received] in Iran will be constructed by the Iranian side. Under an agreement signed in July, Iran will cover 80 per cent of the project costs, including those for the development of the Korpedzhe deposit, the premier said.

At Monday's talks in Turkmenistan's Oil and Gas Ministry, Aqazadeh-Kho'i reassured that Iran was prepared to annually buy up to eight billion cubic metres of Turkmen gas for the period of 25 years. In the first three years after the pipeline is put in operation, gas will be provided to repay project-related expenses of the Iranian side.

The Iranian minister also said his agency was prepared to involve in the joint development of deposits in western Turkmenistan, as well as in the refurbishment of a local oil-processing plant.

Uzbekistan

Georgia's Shevardnadze Arrives on Official Visit

LD0409082195 Moscow ITAR-TASS in English 0802 GMT 4 Sep 95

[By Vilor Niyazmatov]

[FBIS Transcribed Text] Tashkent, September 4 (ITAR-TASS) - Georgian leader Eduard Shevardnadze arrived in Uzbekistan for an official visit on Monday [4 September]. President Islam Karimov of Uzbekistan met Shevardnadze in the Tashkent airport.

Despite the fact that Eduard Shevardnadze will stay in Tashkent for only one day, his visit — the first official visit to Uzbekistan since the restoration of the republic's independence — will be very saturated and intensive, Uzbek Deputy Foreign Minister Shokasym Shoyslamov told journalists.

According to Shoyslamov, Uzbekistan and Georgia have not signed any agreements on cooperation so far and Shevardnadze's visit will boost bilateral relations between the two countries.

During the visit the sides are to sign more than 20 documents, including a treaty on friendship and cooperation between Uzbekistan and Georgia and an agreement on cooperation in the field of trade, people's education, culture, tourism and sport.

This is the first foreign tour of Eduard Shevardnadze after the terrorist act committed against him in the yard of the Georgian parliament on August 29.

Karimov Talks With Georgian Delegation

LD0509091095 Tashkent Uzbekistan Television in Uzbek 1600 GMT 4 Sep 95

[FBIS Translated Excerpt] Georgia's head of state, Parliament Chairman Eduard Shevardnadze, arrived here today on an official visit, at the invitation of President of the Republic of Uzbekistan Islam Karimov. [passage omitted]

At the end of the visit, President Karimov was interviewed by our correspondent:

[Begin recording] [Unidentified correspondent] Please tell us about the main results of the Uzbek-Georgian high-level talks.

[Karimov] [passage omitted] Georgia was formerly a very strong republic, and probably, from such a distance, it does not know about the changes and the economic reforms in our country, which we have achieved over the four years of independence. This was a form of neglect, as when someone looks down their nose. Where was Uzbekistan during the Soviet period, and where was Georgia? I want to say that their standard of living was much higher [chuckles], and ours was much lower. So, of course, they have this snooty attitude even today.

Of course, in this short period of time they probably failed to grasp or to learn about our achievements and the changes that are currently taking place. However, I think that even in this short space of time, the Georgian delegation, having seen Tashkent, met our people and talked with them, and also the talks and the news conference have opened their eyes. They see Uzbekistan, on its path towards real independence, as an exemplary state. I am proud of this, and I call upon our people to be proud of it too. [end recording]

Friendship Agreement Signed

LD0409180895 Tbilisi Radio Tbilisi Network in Georgian 1700 GMT 4 Sep 95

[FBIS Translated Excerpt] A large packet of intergovernmental agreements on economic, cultural, and scientific cooperation, as well as in the sphere of the legal development between the two countries has been signed at the reception hall of the Ministry of Foreign Affairs of Uzbekistan.

The agreements also provide for the widening of cooperation in the spheres of tourism, transport, environment, customs, industry, free trade, securing and promoting investments, a joint fight for combating crime, and others. A great deal of attention has been paid to the issues connected with the creation of a transport corridor. [passage omitted]

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Extended talks have been held between Georgia and Uzbekistan at the Tashkent Palace of Friendship between Peoples. During a solemn ceremony held there, the heads of the two countries reinforced the comprehensive interstate agreement on friendship and cooperation between Uzbekistan and Georgia by signing it.

In a news conference Eduard Shevardnadze and Islam Karimov praised the results of the talks and noted that the visit to the Republic of Uzbekistan by the Georgian delegation outlined qualitatively new prospects for the development of businesslike and friendly relations between the two sovereign countries. [passage omitted]

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Armenia

U.S. Envoy Cited on Nagorno-Karabakh Negotiations

NC0409073695 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0847 GMT 30 Aug 95

[FBIS Transcribed Text] Yerevan ("AZG" daily), 08/30/95 — "U.S. Government believes that it is now possible to make a few steps forward in resolution of the Karabakh conflict, and the window of opportunities is open", U.S. Envoy on Mountainous Karabakh Joe Presel declared yesterday.

Mr. Presel arrived in Yerevan from Baku, and met ROA [Republic of Armenia] President Levon Ter-Petrosyan, RMK [Republic of Mountainous Karabakh] President Robert Kocharyan, Foreign Minister Vahan Papazyan, Minister of National Security Serzh Sargisyan.

U.S. envoy declared that the opportunities will exist till the end of this year, otherwise, he believes, it may become too difficult to maintain peace. Mr. Presel added he is neither a pessimist, nor an optimist, but as long as the possibility for political resolution exists, we should not miss it.

Head of the USA delegation to OSCE Sam Brown said in turn that as long as the sides follow cease fire, international community will send peacekeeping forces to help maintain the cease-fire. USA is ready to play its role in this process whenever necessary.

Mr. Presel declared he has not brought a new project, and "has no secret package in his pocket". "I have the orders of my Government to help the sides of the conflict", he said, and stressed that the problem of Lachin is one of the most important ones. Still, whatever course negotiations take, neither USA, nor Moscow or OSCE Minsk group may resolve the problem if the sides of the conflict do not come to an agreement. In regard with Karabakh's status he said that 15 professors in Europe are thinking how to resolve this problem.

In regard with declaration of the Armenian Defense Ministry about violations of the Azeri side Mr. Presel said he is sorry for violations of cease fire and added that if not supported by a political agreement, cease fire will become weaker by the end of year.

Speaking about the position of OSCE, Mr. Sam Brown said it is based on the principles of Helsinki agreement. Their basic notion is territorial unity and non-recognition of territories captured by force. Still, at the same time exists the right of nations for self-determination. The problem may only be resolved through a fragile balance between this principles. Mr. Brown said that none of 51 OSCE member-countries support Karabakh's independence.

[Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English at 0847 on 30 August carries the following related report:

"Yerevan ("AZG" daily), 08/30/95 — U.S. representative to OSCE Minsk group Sam Brown declared that USA are worried by recent elections in Armenia and by evaluations of the international community.

"Mr. Brown hoped that next elections will be held in more democratic conditions. 'The elections were rather a step backwards rather then a step forward', he declared.

"'We are also worried by the trial against Dashnaktsutyun', he added and hoped the trial will be fair and corresponding to the international norms. 'We discussed these problems with Armenian authorities and we are sure they will be resolved fairly. We are sure that political party will be able to participate in political life', Mr. Brown said."]

Envoy Meets With Karabakh's Kocharyan

NC0409074295 Yerevan SNARK in English 0231 GMT 30 Aug 95

[FBIS Transcribed Text] Stepanakert, August 30 (SNARK) — Alexander Grigoryan, Press Secretary of NKR's [Nagorno-Karabakh Republic] President, considers the meeting between NKR President Robert Kocharyan and U.S. Representative on the Karabakh Conflict Settlement Joseph Presel to be very successful.

According to him, the meeting gave him the impression that a breakthrough in the negotiations is possible soon.

At the same time Grigoryan noted that there are still large obstacles to a settlement of the NKR conflict, such as the resolution of key issues. Grigoryan said that the primary issue is the problem of NKR's security and status.

End of Talks With Russians, Delegation Departs

NC0109192895 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 1 Sep 95

[FBIS Translated Text] A protocol was signed on 1 September following five days of talks between the Russian and Armenian State delegations. It was signed by Vsevolod Oleandrov, the Russian ambassador on special missions, and Gagik Shahbazyan, Armenian minister for relations with the CIS, EU, and international economic organizations.

The document noted that during the talks views were exchanged on relations between Armenia and Russia, on the level and direction of existing agreements, and on political, economic, social, and humanitarian issues.

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The sides asserted their readiness to cooperate in these fields and the need to restore industrial and other ties.

Oleandrov and Shahbazyan also held a news conference on 1 September. They noted the talks' productive and frank nature, which enabled the discussion of a large package of issues. Oleandrov particularly stressed that a common approach was found to each point of the draft agreements; the basic task of the delegations was to prepare these documents for signing on a high level.

Replying to an ARMENPRES correspondent on the economic section of the agreements, Shahbazyan said the principle of opening mutually advantageous credits on a bilateral basis and within the CIS framework was discussed. Special attention was given to the credit to be given to Armenia in 1996, primarily in connection with the operation of the nuclear plant.

Judging from Oleandrov's statements, the preparation of the draft agreement on the legal status of [Russian] citizens living permanently in Armenia was the most complex. The sides agreed that talks on this draft agreement continue by taking into account the improvements in the relevant legislation of both countries.

On issues relating to the military package, Oleandrov said the sides are basing their positions on the existing agreement providing a base for Russian troops on Armenian territory.

The Russian delegation left for Moscow this afternoon.

Protocol Signed at End of Visit

NC0409092395 Yerevan NOYAN TAPAN in English 1531 GMT 1 Sep 95

[FBIS Transcribed Text] 01/09/95 NOYAN TAPAN — On September 1 an official ceremony of signing a protocol on outcomes of the negotiations between the Russian and Armenian governmental delegations held from August 29 to September 1 took place in Yerevan.

Under the protocol, the main task of the current stage is the further development and renewal of agreements in political and military spheres, restoration and diversification of economic and industrial ties, raising of the level of cultural and scientific cooperation and solution of poignant social, judicial and humanitarian problems. It was said that over 90 agreements and bilateral documents creating firm basis for cooperation in all fields and interaction between Russia and Armenia have been signed by present moment. It was pointed out that all documents are based on principles of full respect for sovereignty and independence of the two countries.

"Russia and Armenia are two friendly nations, which have wide spectrum of interests representing mutual concern and which cooperate in all fields", Head of the Russian governmental delegation, Russia's envoy Vsevolod Oleandrov said. He announced that Russian and Armenian governmental delegations had concerted a draft agreement on cooperation in the field of culture, science and education. Official ceremony of signing the draft agreement is scheduled for September 1995, during the Days of the Armenian Culture in Moscow.

The two delegations also concerted a draft agreement on extradition of convicted persons.

Proceeding from agreement on the Russian military base in Armenia concluded on March 16, 1995, experts from both delegations discussed and concerted appropriate agreements. Both delegations voiced opinion that a number of financial and other issues, concerning this series of agreements require additional discussion and clarification.

Oleandrov also said that during the negotiations a draft agreement on legal status of the Russian citizens permanently residing in Armenia, and the Armenian citizens, permanently residing in Russia was discussed.

Also prospects for economic cooperation between the two countries were a subject of discussion during the negotiations. In particular, discussed were issues, concerning the work of customs offices of the two countries and introduction of a universal monetary unit.

According to Oleandrov, the delegations exchanged opinions on prospects for further cooperation.

News Conference on Delegation Visit

NC0409093095 Yerevan SNARK in English 0554 GMT 1 Sep 95

[FBIS Transcribed Text] Yerevan, September 1 (SNARK) — Gagik Shahbazyan, Minister of Relations with CIS, the European Union and International Economic Organizations, held a press conference in Yerevan today. He stated that there are currently more than 90 agreements signed between Russia and Armenia which form a legal basis for comprehensive cooperation.

According to him, during the five day visit of the Russian delegation headed by Ambassador of Special Missions of the Russian Federation Vsevolod Oleandrov, a whole range of issues were discussed. They discussed agreements on cooperating in the spheres of culture, science and education, a draft agreement on extradition, a package of agreements on the Russian Military Base in Armenia, as well as an agreement on the legal status of citizens of Russian Federation who have permanent residence in Armenia, and citizens of Armenia who have permanent residence in Russia.

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According to Shahbazyan, the next meeting between Armenia and Russia will take place in fall.

Azerbaijan Said Trying To Wreck Talks

NC0409085195 Yerevan NOYAN TAPAN in English 0646 GMT 29 Aug 95

[FBIS Transcribed Text] 29/08/95 NOYAN TAPAN — On August 28 the Armenian Defense Ministry issued the following announcement:

Lately recurrent violations of cease-fire by Azeri formations on the northern and north-eastern sections of the Armenian-Azeri border have been accompanied by accumulation of manpower and military vehicle.

The enemy sends out intelligence groups, which attempt to check the degree of readiness of the Armenian formations on this sections. It is especially observed in Krasnoselsk, Tavush and Noyemberian regions.

The Azeri side makes use of the fact that the Armenian armed units respect all written and verbal obligations on cease-fire.

Although the responsibility for the violation cease-fire is fully laid on Azerbaijan, Azeri armed units continue shelling Armenian defensive positions from the territories of Kazakh and Kedabek regions and regrouping forces in Nakhichevan Republic.

Being committed to this strategy, on August 27 Azeri side once again violating cease-fire attempted to break through Armenian defensive positions using tanks.

Azeri side continues to make attempts to penetrate into the Armenian territory for intelligence purposes. Such attempts were reported in Krasnoselsk, Tavush and Noyemberian regions of Armenia as well as on the Armenian-Nakhichevani border. In such cases we are forced to undertake adequate measures.

Trying to ruin any efforts by international organizations to settle the Karabakh conflict, the Azeri side bears responsibility before its own people, involving it into a doomed war.

Cession of Lachin to Azerbaijan Ruled Out

NC0409102695 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0942 GMT 29 Aug 95

[FBIS Transcribed Text] Yerevan ("AZG" daily-SNARK), 08/29/95 — "Armenia and Mountainous Karabakh may not cede Lachin", declared Armenian Deputy Foreign Minister Vardan Oskanyan, commenting the declaration of the Head of Foreign Policy Department of Azerbaijan Gasan Gasanov that progress in the negotiations is not possible without regulation of the problem of Lachin and Shusha.

Lachin humanitarian corridor is the only way connecting Mountainous Karabakh with the external world, establishing life and security of the republic. "If Azerbaijan is really interested in negotiations for resolution of the Karabakh (conflict), it should make concessions in the problem of Lachin", Mr. Oskanyan said. He added that the problems of Shusha and Lachin should be discussed separately since the problem of Shusha only concerns the return of refugees, whereas Lachin is an important element for the security of Mountainous Karabakh. Without resolving the problem of Lachin, the negotiations may come to a dead end, but then the responsibility will completely lie on Azerbaijan, Vardan Oskanyan said.

Ciller Congratulates Bagratyan on Elections

NC0309201595 Yerevan NOYAN TAPAN in English 1928 GMT 31 Aug 95

[FBIS Transcribed Text] Yerevan, NOYAN TAPAN — "I hope an atmosphere of mutual understanding and cooperation will be established in our region for the sake of all the neighboring countries. Turkey is ready to do everything for establishing such an atmosphere," reads the congratulating message of Turkish Prime Minister Tansu Ciller addressed to her Armenian counterpart Grant Bagratyan.

The letter conveys the Prime Minister's best wishes on the occasion of Mr. Bagratyan's election to the post of Head of Cabinet.

Citizens Reportedly Victimized by Iranians

954F3293A Yerevan VREMYA in Russian 26 Aug 95 p 1

[FACT report by Ovik Charkhchyan: "Breaking the 'Iranian Taboo'"]

[FBIS Translated Text] The center of news media attention in recent days has been the killing of an Iranian driver on 12 August in as yet unexplained circumstances. There might have been no need to return to this distressing event had there not been manifest efforts on the Iranian side to impart all too extensive publicity to the incident. There is a need in this connection, I believe, to break the "Iranian taboo" and to cite just a few instances.

Approximately two months ago a heavily intoxicated driver from Iran ran into a group of citizens. According to unverified information, seven Kapan residents died. But, not only was there no statement on the incident but for inexplicable reasons the charge against the Iranian citizen was dropped shortly after, and he returned home. It was said that subsequently one further attempt to

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investigate this tragic incident was made, which in the absence of the principal participant, however, proved impossible.

A visit of Armenian citizens to Tehran was organized a month ago on the initiative of Seyr o Safare Sepaan, which is Iran's biggest motor tours company. The busload of Armenian tourists was robbed clean in Arzhantin Square, but the appropriate authorities not only have not exposed the culprits, but have not even promised to do so, as Armenian officials did in this case.

The wife of the Armenian ambassador to the Islamic Republic of Iran was robbed about a year ago on a Tehran street. Iranian diplomats confined themselves merely to an expression of regret. In addition, on two occasions an uncontrollable mob attacked the Armenian Embassy building in Tehran (there has to this day, incidentally, not been a single encroachment on the Iranian Embassy in Armenia).

It cannot now be maintained with confidence that all Iranians coming to Armenia to a man respect and observe the laws of our country. We frequently hear of disturbances that they have caused in various parts of Armenia. Take just the fights in Yerevan and Masis, which caused a sensation. After all this, the Iranian side's underscored dissatisfaction with the fact of the killing cannot be considered justified just because all the circumstances of the death of the driver have yet to be ascertained, and it cannot be ruled out that the crime was committed by his compatriots....

Prosecutor's Statement on Smashing of Coup Plotters

NC0409071995 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0847 GMT 30 Aug 95

["Declaration Of The Prosecutor's Office"—ARAGIL headline]

[FBIS Transcribed Text] Yerevan ("HAYASTANI HANRAPETUTYUN" daily), 08/30/95 — In the night of 28 July the police has neutralized a criminal group, aiming to overthrow the power in Armenia with the use of force and through terrorist actions.

A group of people suspected in such actions has been arrested. People directly involved in this group have opened automatic gun fire, killed two and injured one employees of the Mashtots District Interior Department of Yerevan on 1 August, and retreated.

As a result of measures taken by the Ministry of Interior, some of those suspected in this murder have been arrested. Illegal weaponry, including that used for the murder of policemen, has been found with them.

In order to avoid further complications, Ministry of Interior appeals to the remaining criminals involved in this group to voluntarily visit corresponding instances and to surrender their weaponry and ammunition, which will be considered as extenuation, according to the law.

Azerbaijan

Ministry Denies Secret Ties With Israeli Services

LD0309172095 Moscow INTERFAX in English 1603 GMT 3 Sep 95

[FBIS Transcribed Text] Baku, Sept 3 (INTERFAX) — Azerbaijani National Security Ministry issued a statement Sunday [3 September] denying that it secretly cooperates with Israeli special services, as was earlier reported by some Iranian media.

The statement characterizes as false the report by IRNA, Iranian official information agency, that 45 officers of Israeli special services secretly visited Baku to help Azerbaijani security bodies reorganize their activities and to train their personnel.

However, the statement confirms the existence of long-term agreements with special services of several countries on cooperation in fighting terrorism, illegal arms sales and drug trafficking as well as other kinds of organized criminal activities.

Azerbaijani National Security Ministry stressed that it is prepared to develop such cooperation with other countries' special services.

Turkish Diplomat on Economic Aid to Nakhichevan

NC0409084095 Baku TURAN in English 1337 GMT 2 Sep 95

[FBIS Transcribed Text] Baku/02.09.95/TURAN — Yesterday the Minister of Foreign Affairs Gasan Gasanov received the head of economical ties department of the Foreign Ministry of Turkey Mr. Ender Aral. During the meeting the Turkish representative said that a group of ministries and departments, and Turkish businessmen arrived in Azerbaijan. According to Mr. Aral the aim of the visit is to discuss the problems concerning the projects of Turkey and Nakhichevan. He also noted that the delegation visited Nakhichevan and discussed with the local leadership the concrete measures of introducing of the project. As Mr. Aral noted the technical assistance to be rendered to Nakhichevan from Turkey will include the construction of buildings, the openings of the joint banks, the broadening of the beet sugar production, the construction of roads, as well as the glass and mazut works, the construction of two shops on bakery, the re-equipping of the carpet

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factory and the widening of mineral water production. In Mr. Aral's opinion some measures are about to be made for realisation of these projects.

Gasan Gasanov expressed his gratitude for assistance rendered from the fraternal Turkey to Azerbaijan and noted the importance of the projects for Nakhichevan. The Azeri minister expressed his hopes that this program will successfully be realised and will serve for development of fraternal and friendly relations between two countries.

Armenia Accused of Exacerbating Karabakh Conflict

LD0309091195 Moscow Mayak Radio Network in Russian 0700 GMT 3 Sep 95

[FBIS Translated Text] The Azerbaijani Defense Ministry accused Armenia of striving to exacerbate the situation in the zone of the Karabakh conflict and widening the aggression against Azerbaijan. A ministerial statement issued in Baku on 2 September notes that over the past few days the Armenian side made a series of attempts to violate the cease-fire. In particular, Azerbaijani armed forces at the end of August halted an Armenian army offensive on Getabekskiy district. The ministry also has evidence of a concentration of Armenian troops along the border with Azerbaijan, and also of preparations for plans to unleash further offensive operations against Azerbaijan.

PFA, SDPA Legally Registered as Political Parties

NC0409083095 Baku TURAN in English 1337 GMT 2 Sep 95

[FBIS Transcribed Text] Baku/02.09.95/TURAN — Popular Front of Azerbaijan [PFA] Party and Social Democratic Party of Azerbaijan [SDPA] have been registered in yesterday's session by the Board of the Justice Ministry. In this case the PFA and SDPA have the right to take part in the Parliamentary elections, which are expected to take place on November 12 this year.

The following parties were not registered by the Justice Ministry: the Democratic Party (chairman is Sardar Jalaloglu), the Independent Democratic Party (chairman is Leyla Yunusova), Ana Torpag (Mother Land) (chairman is Sirajeddin Haji) and the Justice Party. Due to the absence of "Milli Gurtulush" (National Salvage) chairman, the Board decided to postpone of the consideration of this party's registration.

The above said registered parties' representatives in their interview to TURAN said that their plaint note to the Supreme Court against the Justice Ministry have lost their power and the plaint notes will be asked back.

"The PFA is going to take part in the elections in the bloc of parties included the Democratic Congress and hopes to win a seat in the parliament in the case of democratic elections", said Gulamhuseyn Aliyev, the Supreme Mejlis chairman of the PFA.

"Our party will take part in the elections independently", said Araz Alizade the SDPA leader.

Last week "The Round Table" where SDPA and PFA are included removed from the agenda the issue about the boycott against the elections.

Supreme Court Bans Communist Party Prior to Elections

LD0409141595 Moscow ITAR-TASS in English 1407 GMT 4 Sep 95

[By Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Transcribed Text] Baku, September 4 (ITAR-TASS) - The Azerbaijani Supreme Court banned the Communist Party in the republic ahead of legislative elections scheduled for November 12.

The court passed its ruling last Friday [1 September] following a request from the Justice Ministry claiming that the party's activity ran contrary to the law on the state independence of Azerbaijan, Fazil Mamedov, head of the Ministry's Registration Department, told ITAR-TASS on Monday [4 September].

However, the party leaders blasted the decision, describing it as "groundless." They said the ruling followed the party's call for building a new union in the former Soviet Union. However, this does not mean that the Azerbaijani Communist Party — whose membership is estimated by various sources at 10,000 to 40,000 people — seeks to restore the Soviet Union, party chairman Ramiz Akhmedov said.

Speaking at a news conference last Saturday, Akhmedov pointed out that the court ruling casts doubt on the democratic nature of the Azerbaijani state.

Opposition Reaction to Election Law Noted

954F3294A Baku ZERKALO in Russian 26 Aug 95 No 31, p 5

[Article by N. Aliyev: "Party Leaders Have Begun To Count Their Chickens Before They Are Hatched: The Opposition Is Not Afraid of a Check of Its Finances"]

[FBIS Translated Text] By the end of last week, the stormy reaction of political parties caused by the National Assembly's adoption of the law "On Parliamentary Elections" had subsided. Together with the adopted

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law and the problem of an election boycott, the attention of various political forces is now attracted by the check on the political parties that continues in the Ministry of Justice and the speeches of representatives of the national leadership connected with this measure.

The opposition parties have also reacted to the statement of Speaker Rasul Guliyev that the financial situation of all parties will be checked before the elections since "there are facts testifying to the funding of some of them from overseas." According to the ANS-PRESS agency, the leaders of all the major opposition political organizations—the Azerbaijan Popular Front Party, the National Independence Party, and the Communist Party—to a man called this decision necessary.

But the situation has thus far been shaping up to the disadvantage of the opposition and, particularly, to the disadvantage of the Azerbaijan Popular Front Party. The hearing of the Popular Front's appeal to the Supreme Court against the Ministry of Justice's refusal to register the PNFA [Azerbaijan Popular Front Party] as a party, scheduled initially for 14 August and then for 22 August, has been postponed. A reason, it is reported, was the absence of minutes of the congress at which the Popular Front Party was founded.

All is still quite vague. And although, as we anticipated, the opposition has decided, for all that, not to boycott the elections (under the current conditions this would be simply pointless), this does not make the situation any clearer. A feeling that chickens are being counted before they are hatched is taking shape against the background of the continued uncertainty surrounding the Popular Front. Moreover, the statements of spokesmen for one and the same party sometimes contradict one another. For example, according to Arif Gadzhiyev, secretary of the Musavat Party, even with a minimum of democracy Musavat will win the elections. At the same time, on the other hand, Isa Gambar, leader of the Musavat, believes that the adopted law "On Elections" will prevent the political organizations from realizing all their possibilities.

I. Gambar also publicly stated his attitude toward the Azerbaijan National Independence Party. According to him, despite the vehement statements of the leaders of the PNNA [Azerbaijan National Independence Party], they have practically no chance of obtaining a majority in parliament. "This would be possible only if the opposition were to agree to a boycott, and then the leadership of the republic, wishing to create the illusion of the multiparty character of the elections, would allocate the PNNA just a few more seats than it has today." In principle, the statement of the chairman of the Musavat Party is not original. Even earlier Araz Alizade, leader of the social democrats, and certain others had said that Etibar Mamedov and his party had made a pact with the leadership of the country. In other words, they mean that the PNNA is a decoy duck. Nothing is known, thus far, in any event, about the PNNA's response to such statements.

SDPA Leader Warned on 'Insult' to Aliyev

954F3235B Baku ZERKALO in Russian 19 Aug 95 No 30, p 1

[Unattributed report: "Baku City Procurator's Office Has Warned SDPA Leader Araz Alizade"]

[FBIS Translated Text] Araz Alizade, chairman of the Azerbaijan Social Democratic Party, was recently summoned to the Baku City Procurator's Office to explain his speeches against the president of Azerbaijan.

As A. Alizade reported in an ANS-PRESS interview, City Procurator Shukyur Rzayev and Malika Alekperova, investigating officer of the Procurator's Office, observed in conversation with him that A. Alizade's statements about the fact that coups d'etat were being prepared in Azerbaijan and that the scene was being set by the president's office were an insult to the honor and dignity of President Geydar Aliyev. Confirming his doubts as to the actuality of the coups that had occurred recently, A. Alizade showed that his remarks were not of a slanderous or insulting nature. A. Alizade was cautioned that in the event of a repetition of such statements, criminal proceedings would be instituted against him.

Meanwhile, according to a report of the KHABAR-SERVIS Agency, the Azerbaijan Social Democratic Party has brought suit in the Supreme Court in connection with the Ministry of Justice's refusal to register this political organization. In an interview with the agency, Zardusht Alizade, a leader of the SDPA [Azerbaijan Social Democratic Party], observed that the party had in parallel sent yet another appeal to the Ministry of Justice with a demand for registration, calling the refusal that had preceded this fundamentally unjust and contrary to the law on political parties.

ADSP Official on Support for Minorities

954F3234A Baku GUNAY in Russian 15 Aug 95 p 3

[Article by Eldar Azizov, first deputy chairman of the Azerbaijan Democratic Property Owners Party: "Common Home, Common Concerns"]

[FBIS Translated Text] History teaches us that states that harbor aggressive purposes for the achievement of their insidious designs have used and continue to use

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together with an increase in their military power every conceivable way of weakening the countries chosen as targets. One of these ways, most dangerous, what is more, is the incitement of ethnic tension, the creation and stimulation of separatist trends in the countries that are the targets of the aggression or political pressure, and subversive activity geared to rattling and dismembering these countries from within.

Interethnic relations have become today for many countries of the world a complex and tragic problem. This problem is perceived as particularly urgent and serious in countries that have embarked comparatively recently on the complex path of development and that are encountering on this path its difficulties of every conceivable kind and constant pressure from outside. In recent years we also have found ourselves faced with the need to seriously concern ourselves with these problems, and, fortunately, the republic has managed to preserve the unity of the peoples and the ethnic groups that reside on its territory and to unite them closely around the idea of Azerbaijani statehood, with which the fortunes and interests of all citizens of the country are inseparably connected. But there are distressing exceptions also. The Armenian community of Nagornyy Karabakh, which ripened into a fifth column within Azerbaijan, became the [word illegible] base for the aggressive plans of the [word illegible] Armenian Republic and other [word illegible].

The treachery of one ethnic group had serious consequences, but was at the same time damned by all the others, and it raised them to the defense of the territorial integrity of Azerbaijan. They thereby proved their loyalty to the land on which they live and are building their future.

Multinational Azerbaijan—a country with a centuries-old history—is the home of many nations and ethnic groups. A united people—a united family—has taken shape here down the ages, and there are in this multinational family together with the Azerbaijanis Talysh, Kurds, Lezgin, Avartsy, Taty, and representatives of other peoples spiritually close to them. They all took part to this extent or the other in the birth of the nation of the single Azerbaijani people. They are linked to one another by unity of territory, community of religion, and similarity and proximity of cultures and customs, traditions and mentality.

Any attempt to sow discord among them, artificially repel them from one another, and sever the historically evolved bonds is, naturally, doomed and should be condemned as an action which is aimed against the entire people of the republic, provokes antagonism, and is fraught with conflicts. And those who by virtue of their personal ambitions are inclined to take the bait of the instigators, succumbing to the propaganda and promises of the falsifiers of history, should remember that waves blown up on ethnic soil could drown not only innocent people but them themselves also.... There are no winners in such strife, nor can there be—antagonism on national soil inevitably culminates in tragic casualties and destruction. Many examples could be given in confirmation of these words.

Meanwhile, the experience of a number of countries shows that the most effective and efficient way of neutralizing separatist tendencies is the consolidation of fellow citizens and a universal commitment to national statehood. The path trodden in recent years by our long-time and close neighbor Dagestan also attracts attention in this aspect.

At the height of perestroyka in Dagestan, as in many Union and autonomous republics of the former Union, the national factor began to come to the fore. National liberation movements of the peoples living on the territory of the republic arose, and the conductors of these movements made attempts to pull people apart into "national apartments." The disconnecting process developed actively. And this led to a fall in the rate of economic development and an expansion of the sphere of influence of criminal forces and other negative phenomena.

Perhaps all this had to be experienced, for this was to a large extent natural as a consequence of the 70-year nationality policy. Public meetings, sloganeering, and the predominance in everything of the national factor at this initial stage of perestroyka may to some extent be regarded as actual work: The development stage was replaced, the old system collapsed. But the emotional factor very soon gave way to the constructive and expedient factor: An understanding of the need to build new relationships emerged. A new class of property owners in need of stability and reforms for development began to take shape. And the opinion as to the need for the preservation of the republic and its most rich multinational culture is becoming established increasingly in Dagestan today. The main thing is that the concept "Dagestanis," which is being actively propagandized, being based on the common culture, religion, and mentality, is taking shape. Each nation is developing here while preserving its originality. There has been a stabilizing process. Although not everything is simple here. It is important to develop these trends and expand their creative scale.

All this in aggregate has influenced appreciably also the expansion of political, economic, and social ties between Dagestan and Azerbaijan. Both sides supported

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the opinion that borders should not estrange our peoples but be bridges of friendship and fraternity between them, unite us, and help us share joys and sorrows. The creation of a free trade zone on the border of the two republics has become an object of serious discussion. The appearance of such a zone would have an appreciable impact on the economy in both Azerbaijan and Dagestan and would strongly boost its development. Strong economic ties, interdependence, and concern would ensure stability in relations between the republics and in the border areas, and people would then be in no mood for conflicts. This is what business circles of our republics believe also.

It has to be said that the idea of consolidation and unity has passed the test here in our republic also, having consolidated its positions. This idea has clearly demonstrated its vital force in certain specific situations. For example, Armenia, as the aggressor, not content with having seized our land, has never abandoned wide-ranging sabotage either. One such subversive operation was the zeal of the Armenians for the creation of an independent Kurdish state on the territory of Azerbaijan. But well aware of what insidious designs are concealed by this zeal and having immediately expressed their attitude toward the Armenian propaganda pandemonium and its explosive idea, the Kurds took the part of Azerbaijani statehood; but this does not mean that we may by relying on the age-old ties of the peoples of Azerbaijan fence ourselves off from undesirable excesses. Without being reduced to the latter, we need to concern ourselves comprehensively, in businesslike fashion, not on paper, with the problems of a multinational state. This means laying the material foundation for the development of the culture and language of the small peoples and preserving their history and its objective character. Such an approach to the problem and such concern for one's fellow citizens is always valued highly. We need now to start primarily with what we have. It is in this respect that the correct, purposive domestic policy pursued by G. Aliyev, president of the Azerbaijan Republic, evokes approval. This policy is being embodied in practice and is winning the affections of the peoples living on the territory of the republic. The resumption of the activity in Baku of the Lezgin mosque, the expansion of the network of schools that teach in Lezgin, the organization of radio broadcasts in Talysh, Lezgin, and Kurdish, and a number of other significant measures are the real fruit of this policy. And it is not fortuitous that it was with the advent of G. Aliyev, who is very conversant with the problems of multinational Azerbaijan, that these matters ceased to arise as yet another threat, which cannot be said of the times of the previous leaders. People appreciate the efforts being made for the socioeconomic, cultural, and spiritual development of the small peoples. But with the further formation of a democratic, civilized society, it should be a question of the creation of a guaranteed system of state activity, not of one-time actions. The small peoples must be confident that concern for the protection, propaganda, and development of their language, ancient culture, and national customs and traditions is being displayed and always will be displayed at the state level.

Only by having embarked on such a path can we in nationality policy continue to neutralize the inception of harmful symptoms. For this is a path uniting the peoples and all citizens of the country and ensuring the mutual enrichment of their national cultures. Our Russian-speaking population, which also, naturally, is encountering certain problems in day-to-day life, is going together with us along this path also. The ancestors of our Russian-speaking citizens once made their way for various reasons to the land of hospitable Azerbaijan and settled here—some were brought here by the dream of a better existence, others, simply by concern for their daily bread, yet others, by an aspiration to save themselves from political and religious persecution. The majority of them took a strong liking to this land, became imbued with great respect for the Azerbaijani people, and raised their children also in a spirit of love for their fellow citizens. These people were introduced to the rich spiritual values of our people and, in turn, themselves shared their experience and knowledge with the indigenous inhabitants, and both were spiritually enriched as a result of this mutual exchange. With the passage of time, the Russian-speaking population, together with a gravitation toward compact residence and a desire to preserve its native language, customs, and traditions, came to constitute part of the spectrum of the united people of Azerbaijan.

However paradoxical this might be, we have to say that under Soviet power the process of the stratification of society on a national basis not only was not suspended, but acquired new qualities, even. For example, the meaning of a perfectly just slogan of that time—to increase concern for the formation of national personnel in Azerbaijan, as equally in all the national and territorial formations of the USSR—was distorted. The "multinational republic" concept was interpreted in a very narrow sense at that time also. When it was a question of "local personnel," that is, no greater significance was attached to national affiliation, seemingly. This imaginary objectivity was essentially big policy and created fertile soil for national stratification. The following form of internationalism, which set the teeth on edge and which was dinned into us, was practiced: Instructions and a schedule of allocations were given from above—so many Russians, Armenians, Georgians,

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or Lezgin had to be appointed to the positions of ministers, rayon party committee secretaries, and rayon soviet executive committee chairmen. But such distribution could only have had a positive effect at the first stage, subsequently imagination was lacking, and disarticulation on a national basis occurred. A purpose that was splendid at first sight produced upon execution the opposite effect.

Generally, the system of the Soviet state was not adapted to the creation of the conditions for the free development of the nations, nor, indeed, was this its task. The founder of the state wrote: "The proletariat not only will not undertake to defend the national development of each nation, on the contrary, it will warn the masses against such illusions... welcome any assimilation of the nations... and so forth." Today, however, under the conditions of the formation of a new democratic, free society, it should be understood, considering the experience of previous years, that there is no room in this work for the cliches of coercion; this is futile. It can only be a question of the creation of an effective ideology capable of offering goals that are sufficiently substantiated and shared by a majority of the population. The state should once again be the guarantor here. I believe that the adoption of a new constitution enshrining the propositions considered above would create good prerequisites for the preservation of state integrity and the optimization of interethnic relations.

Our republic is preparing for elections. We believe that the national minorities also should be fittingly represented in its supreme legislative body. We are sure that this in itself would strongly boost the development of Azerbaijani society.

The ADSP [Azerbaijan Democratic Property Owners Party], in turn, has begun work in this direction. We are proud that practically all peoples of Azerbaijan are seriously represented in the party. The rate of development of the party is high in regions of the compact residence of small peoples. We are aware of our responsibility to them and are prepared to actively defend their rights in the new parliament.

The ADSP is a party of creation, harmony, and cohesion. Only by having united the efforts of all strata of the populace and all nations that live in the republic can we complete from the bottom up the construction of our common home—an independent, sovereign, democratic, and prosperous Azerbaijan.

Georgia

Shevardnadze Satisfied With Visit to Uzbekistan

LD0509083895 Moscow ITAR-TASS in English 0737 GMT 5 Sep 95

[By Tengiz Pachkoria]

[FBIS Transcribed Text] Tbilisi, September 5 (ITAR-TASS) — Uzbekistan regards Georgia as a strategic partner, and Tashkent is interested in exporting Uzbek goods via the Georgian ports of Batumi and Poti, Georgian leader Eduard Shevardnadze said in a televised interview today.

He was summing up the results of his one-day visit to Uzbekistan on Monday [4 September], during which he held talks with President Islam Karimov in Tashkent.

According to Shevardnadze, during his talks with the leadership of Uzbekistan the two countries determined principles of relations between Georgia and Uzbekistan, focusing on the development of economic ties.

Eduard Shevardnadze noted that none of the leaders of the Commonwealth member-countries condemned the Abkhazian separatism as resolutely as Islam Karimov.

According to the Georgian leader, the president of Uzbekistan favours specific measures aimed at economic, political and other isolation of the Abkhazian separatism in line with the provisions of the CIS summit held in Almaty in February 1995.

Turkish Military Officials Discuss Cooperation

LD0109163595 Tbilisi IPRINDA in Russian 1215 GMT 1 Sep 95

[FBIS Translated Text] Tbilisi, 1 Sep — The press center of the Georgian Defense Ministry reports that General Nodar Tatarashvili, commander of the chief staff of Georgian Armed Forces, met Lieutenant General Erman, military adviser to the Turkish prime minister. The guest introduced Colonel Ali Ozturg, newly appointed military attache of the Turkish Embassy in Georgia.

The parties of the meeting spoke about the need to expand military cooperation between the two countries. It was emphasized that this could become possible after an agreement on military cooperation is signed. The Turkish general advised that his country produced everything starting with means of communication and ending with heavy equipment. He also expressed the readiness of the Turkish side to provide assistance in training Georgian military personnel.

A planned visit of a Turkish military vessel to Georgia could become a symbol of support for Georgian Armed Forces, which are in the making at present.

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Shevardnadze, Turkey's Ciller Agree on Debt

LD0109191295 Moscow INTERFAX in English 1547 GMT 1 Sep 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov and Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Eduard Shevardnadze and Turkish Prime Minister Tansu Ciller have agreed on delayed payment of the Georgian debt to Turkey.

The Georgian leader told a news conference in Tbilisi Thursday [31 August] that negotiations proved the coincidence of the sides' stands on all issues discussed. In the words of Shevardnadze, they discussed bilateral political and economic relations and the regional situation.

They agreed on transportation of Azeri oil to Turkey via Georgia. In the opinion of the Turkish Prime Minister, this project "is the most advantageous from the technical and economic point of view."

Ciller noted other projects, including those on transportation of Turkmen gas to Turkey via Georgia and a possibility of railroad transit from the Central Asia to Turkey via Georgia.

Asked about projects on transportation of Azeri oil to the Black sea and the Russian interest in this project, Shevardnadze said Moscow "cannot help having its interests in these issues. At the same time, neither Turkey nor Georgia nor Azerbaijan have confrontational relations with Russia, and I think that Russian interests will be taken into account in the global project."

Abkhazia Blamed For Breaking Up Moscow Talks

LD0109162495 Moscow ITAR-TASS World Service in Russian 1525 GMT 1 Sep 95

[FBIS Translated Text] Speaking to the parliament deputies in the evening, Georgian Head of State Eduard Shevarnadze said that "no one could prevent presidential and parliamentary elections in Georgia from taking place." The deputies passed today the laws on the presidential and parliamentary elections in the republic scheduled for 5 Novemeber.

According to Shevardnadze, the whole world has shown interest in these elections and a great number of monitors and experts from all over the world are expected to arrive in Georgia.

Shevardnadze blamed the Abkhazian side for breaking up the Georgian-Abkhazian talks in Moscow today. However the Georgian leader expsessed confidence that "sooner or later Georgia will restore its territorial integrity."

Vice Premier: Abkhaz Peace Talks 'Out of the Question'

LD0209163295 Moscow INTERFAX in English 1303 GMT 2 Sep 95

[FBIS Transcribed Text] Tbilisi, Sept 2 (INTERFAX) — Commenting on the failure of the Georgian-Abkhazian talks in Moscow Friday, Georgia's Vice Premier Tamaz Nadareishvili told INTERFAX that "peace talks with the Ardzinba fascist regime are out of the question now."

The status of Abkhazia became a stumbling block during consultations. Tbilisi argues that Abkhazia must become part of Georgia within the framework of a federation. Sukhumi insists on confederative relations.

"Georgia must cardinally change its policy in relation to Abkhazia," said Nadareishvili. "I think this will be the leitmotif of the forthcoming emergency session of the Georgian parliament next week," he said.

In his opinion, "changes in the attitude to the Abkhazian separatists do not mean immediate combat operations against them," he went on to say.

"So far, other methods are available, for instance Abkhazia's complete isolation from the rest of the world," he said. However, in this issue "everything depends on the position of Russia which has sealed the border on the river Psou, but communicates with Abkhazia freely on other sections of the Russian-Abkhazian border," said Nadareishvili.

According to Georgian sources, four contraband ships, registered in Novorossiysk, cruise under Russia's flags weekly between Sukhumi (the capital of Abkhazia — INTERFAX) and the Turkish coast, he went on to say. He also alleged that besides food, "weapons and drugs are delivered from Turkey to Abkhazia, which are subsequently moved to the Chechen militants through North Caucasian republics."

Abkhaz Leader Confirms Wish To Negotiate

LD0509103695 Moscow INTERFAX in English 0932 GMT 5 Sep 95

[FBIS Transcribed Text] Sukhumi, Sept 5 (INTERFAX) — Abkhazian President Vladislav Ardzinba has declared that Sukhumi "has favored and continues to favor the process of talks between Abkhazia and Georgia". "We also stand for the mediation of the Russian Federation," he stressed in an exclusive interview with INTERFAX Tuesday [5 September].

He denied accusations that Abkhazia undermined the Moscow talks on a settlement. He accounted "the temporary suspension of negotiations to the deviation

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of the Georgian side from the April 4, 1994 declaration on political steps to settle the conflict".

Ardzinba described the actions of Russian representatives at the latest stage of the talks as strange mediation and said the Russian Foreign Ministry holds a one-sided stance.

The status of Abkhazia became the stumbling block at the talks. Tbilisi insists that Abkhazia be part of a federal Georgian state while Sukhumi would prefer a confederation.

Commenting on the threats of some Georgian politicians to use force to resolve the problem of Abkhazia Ardzinba said: "There was already one attempt to solve all problems militarily. You know how it ended. Next time the consequences will be even worse for Georgia itself."

On the socio-political situation in Georgia Ardzinba said: "Criminal groups run Georgia. One cannot speak of democracy in Georgia. The country has an authoritarian regime and Eduard Shevardnadze is a striking representative of the totalitarian past."

He announced that about 80,000 Georgians live in Abkhazia today while before the war their number never exceeded 220,000.

Shevardnadze on Assassination Attempt, Abkhaz Problem

LD0109203795 Tbilisi Radio Tbilisi Network in Georgian 1850 GMT 1 Sep 95

[FBIS Translated Text] The Georgian Parliament continued to work today, passing a law on the elections. Tomorrow, the parliament will continue to work in conciliatory commissions. It is planned to discuss the Abkhazian conflict at the next sitting.

After the parliament sitting Eduard Shevardnadze, Georgian head of state, spoke to journalists.

[Begin Shevardnadze recording] It is very important that we now refrain from feelings and emotions. We have to give a chance to the law-enforcement bodies to look into the case. Actually, we are dealing with a difficult case, a very difficult case. If we consider whatever is happening around us, this terrorist act was not accidental. Indeed, I have to take measures but if I say now what the measures will be, some will say that I am acting ahead of events and they will be right.

Despite certain incidents in connection with the voting for the election commission, we have adopted all fundamental documents, we have elected the chairman of the election commission, we have nominated a deputy chairman in case there is a need, and we have passed a resolution and endorsed the results of today's voting. This virtually creates all the conditions for launching the election campaign. We will indeed start it and we will hold elections.

Our people will come to the polling stations, I am sure. It is wrong when some say that people will not come to the elections and there will be sabotage. There will be no sabotage.

As for Abkhazia, this is an instance of completely disregarding an international organization, the UN Security Council, by the Abkhaz separatists and completely disregarding Russia's stand, to say nothing of our interests. We suggested everything to them that could be expected between normal states. A special status, statehood, a constitution — all attributes that are essential for and characteristic of a part of a federative state. They are irritated by the word federation. We even went so far as to withdraw this word and put down that the decision on the territorial-state structure would be taken only after Georgia's unity, its territorial integrity, was restored. We even made such a concession but it did not appear to be sufficient. You all know the options. Either a peaceful way or the other one. For the time being, we are still struggling for a peaceful way. [end recording]

Reportage on Shevardnadze Assassination Attempt

Parliament Fires Security Service Chief

LD0209151395 Tbilisi IPRINDA in Russian 1345 GMT 2 Sep 95

[Received by fax]

[FBIS Translated Text] Tbilisi, 2 Sep — At 1820, during the evening session [of the Georgian Parliament], Eduard Shevardnadze called for a vote on whether to relieve Lieutenant General Igor Giorgadze of his post as head of the State Security Service. As 145 deputies voted for the proposal and eight voted against, Giorgadze was relieved of his post by a majority vote.

By Shevardnadze's decision, all special purpose units (Alpha, Omega) will be placed under the command of the head of state with immediate effect.

Temur Khachishvili, who is Giorgadze's deputy and is also a member of the Rescue Corps [Mkhedrioni], has also been relieved of his post.

Further on Security Chief's Firing

LD0209154295 Tbilisi IPRINDA in Russian 1445 GMT 2 Sep 95

[Received by fax]

[FBIS Translated Text] Tbilisi, 2 Sep — At the evening session of the Georgian Parliament, members of parlia-

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ment voted to sack General Giorgadze. In an address, Eduard Shevardnadze described the 29 August explosion in Tbilisi as the beginning of a coup d'etat.

We had information about certain plans, Shevardnadze noted, but the bodies which should have acted and prevented that failed to do so and should therefore be held responsible.

He told deputies that a search discovered 30 kg of explosives in the parliament building alone. Special transmitters discovered at the television tower were capable of using a certain frequency to establish contact with armed groups on Georgian territory and coordinate their activity.

Shevardnadze said the work of the Security Service does not stand up to criticism, and added that 125 deputies wrote to him asking for the dismissal of Security Service chief Igor Giorgadze and his deputy Temur Khachishvili. Parliament then voted (by 145 votes to 8) to dismiss Giorgadze and Khachishvili from their posts.

Shevardnadze has also decided to place the Alpha and Omega special units under his authority. Shevardnadze said that Russia has helped train these units.

Shevardnadze Appoints Acting Security Chief

LD0209154795 Tbilisi First Program Television Network in Georgian 1500 GMT 2 Sep 95

[FBIS Translated Text] We have just received the following information:

By a decree of the Georgian head of state, Adtandil Ioseliani, first deputy head of the Georgian State Security Service, has been entrusted with performing the duties of head of the Georgian State Security Service.

Former Security Chief: Dismissal 'Political'

LD0309162595 Moscow NTV in Russian 1500 GMT 3 Sep 95

[Video report by correspondent Nugzar Kereselidze, including recorded comments by Igor Giorgadze, former head of the Georgian Security Service, addressing a news conference today in Tbilisi; from the "Segodnya" newscast]

[FBIS Translated Excerpt] [Giorgadze] Giorgadze's dismissal from duty, I assure you, does not raise the struggle against terrorism to a qualitatively new level. This is absolutely clear to everyone. The most offensive thing is that it is clear to those making the decision. It is a question of a political decision. What provoked it? I repeat, it is difficult to comment at present.

[Kereselidze] This is how Igor Giordadze reacted today to his dismissal from the post of chairman of Georgia's Security Service. Igor Panteleymonovich [Giorgadze] is convinced of his professionalism and considers the terrorist act of 29 August to lie fully on the conscience of the management of the government guard, which is subordinate to the head of state in person. Igor Giorgadze does not plan in future to distance himself from politics and, moreover, he intends to take part in the parliamentary elections. [passage omitted]

Shevardnadze Discusses Dismissals

LD0309174595 Tbilisi Radio Tbilisi Network in Georgian 1700 GMT 3 Sep 95

[FBIS Translated Text] The CONTACT news agency has reported that on 3 September, Eduard Shevardnadze, the chairman of parliament and head of state met senior officials from the Security Service, other power structures, the head of the assault landing brigade, the head of the center for the fight against terrorism, and commanders of special purpose subunits under his authority. The meeting discussed the decisions that had been made the previous day [yesterday's dismissal of security chief Igor Giorgadze and his deputy Temur Khachishvili] and new tasks facing the Security Service's power subunit [as heard].

You have always defended state interests loyally, and I am sure that the main objective for you, me, and all of us is to serve the state, Shevardnadze said.

The command of the power subunits welcomed the decision to place the subunits under the direct authority of the head of state and commander in chief of the Armed Forces. This would facilitate the management of these subunits and the resolution of their organizational and material and technical problems.

At the end of the meeting, specific questions were discussed concerning the change of jurisdiction.

Wife Claims Shevardnadze Poisoned

LD0309232995 Moscow ITAR-TASS World Service in Russian 2248 GMT 3 Sep 95

[By ITAR-TASS correspondent Tengiz Pachkoria]

[FBIS Translated Text] Tbilisi, 4 Sep — An attempt may have been made to poison Georgian head of state Eduard Shevardnadze a few days before the terrorist act in the courtyard of the Georgian parliament on 29 August. This was said by his wife Nanuli Shevardnadze in a television interview late on 3 September.

She said that a few days before the terrorist act, Eduard Shevardnadze had symptoms of poisoning. He was feeling unwell. It was assumed at the time that it was a case of food poisoning, but now she believes that

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the Georgian head of state may have been subjected to poisoning.

Journalists recall that Eduard Shevardnadze's briefing scheduled for 25 August was called off. The official announcement said he was suffering from influenza.

Doctor Confirms Reports of Poisoning

LD0409161795 Moscow NTV in Russian 1500 GMT 4 Sep 95

[FBIS Translated Excerpt] [passage omitted] [Correspondent] As for the old saying about the previous Soviet leaders — if they have a cold, then they have most likely had a heart attack — this evidently still applies in Georgia. Not so long ago the head of state's press center announced that Eduard Shevardnadze had a touch of influenza. Now, however, his wife Nanuli Shevardnadze has said that Eduard Shevardnadze was poisoned, and that she now linked the poisoning with the assassination attempt.

Shevardnadze's personal doctor, Mirab Gokhua, who was injured in the assassination attempt and is still in hospital, confirmed the head of state had recently showed symptoms of poisoning.

[Begin Gokhua recording, interviewed lying in hospital bed, scars on arms and head] That is how it was, just as Nanuli said. It was a case of poisoning, he was indisposed. [end recording]

Mkhedrioni Suspected of Involvement

LD0409122595 Moscow INTERFAX in English 0956 GMT 4 Sep 95

[FBIS Transcribed Text] Tbilisi, Sept 4 (INTERFAX) — Georgia's law enforcement agencies continue to investigate an act of terrorism against the head of state Eduard Shevardnadze on August 29. A Georgian Security Service source reported to Interfax on Monday that they suspect the opposition organization Mkhedrioni to have been involved in the assassination attempt. This theory is being thoroughly investigated, the source said.

The republican Interior Ministry's press center told INTERFAX that on Sunday, police and internal troops searched Mkhedrioni's regional headquarters, discovering in virtually all of them illegally stored arms, radio transmitters, and cars, listed by police as stolen.

In the town of Zugdidi, ten local Mkhedrioni activists have been arrested for previous offences.

The press center also reported that after a thorough search, all the Mkhedrioni-held buildings would be handed over to the local authorities.

Investigators Question Ioseliani

LD0209181595 Moscow INTERFAX in English 1633 GMT 2 Sep 95

[FBIS Transcribed Text] Tbilisi, Sept 2 (INTERFAX) — Leader of the Mkhedrioni group and member of the Georgian parliament Jaba Ioseliani was questioned by investigators on Saturday [2 September] in the wake of a failed attempt to assassinate the country's leader Eduard Shevardnadze on Tuesday, Georgian prosecutors told INTERFAX.

Shevardnadze escaped with minor face and hand injuries caused by flying glass as a car parked outside the parliament building blew up while his motorcade was passing by.

Two days later a group of investigators handling the case uncovered 28 automatic guns, four pistols and a large amount of drugs and foreign cash in the offices of the parliament building occupied by Ioseliani. Firearms were also found in the rooms occupied by other deputies.

The interior ministry and prosecutor's office have both denied Ioseliani's earlier allegations saying Interior Minister Shota Kviraia had personally shot dead six supporters of former President Zviad Gamsakhurdia in Zugdidi in November, 1993.

In a joint statement in Tbilisi on Saturday, they described them as being false from beginning to end and aimed at discrediting the country's law enforcement bodies.

Ten Ioseliani Bodyguards Arrested

LD0509095695 Tbilisi IPRINDA in Russian 0850 GMT 5 Sep 95

[FBIS Translated Text] Tbilisi, 5 Sep — The Georgian Ministry of Internal Affairs press center reported today that law-enforcement officials yesterday arrested 10 members of the personal security team of Mkhedrioni organization leader Jaba Ioseliani. Seven unregistered automatic weapons and four unregistered pistols were confiscated; two GAZ-31 cars and two foreign cars without proper documentation were also confiscated. The Ministry of Internal Affairs is trying to establish the names of the original owners of these cars, and how the cars were being run by Ioseliani's security team. One of the bodyguards was in possession of drugs at the time of his arrest.

According to the Prosecutor's Office of the Republic of Georgia, law-enforcement officials yesterday arrested Dodo Gugeshashvili, the deputy chairman of the

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Mkhedrioni political organization. She was charged with involvement in several robberies.

More Mkhedrioni Leaders Arrested

LD0309072995 Tbilisi Radio Tbilisi Network in Georgian 0600 GMT 3 Sep 95

[FBIS Translated Text] According to the Georgian Interior Ministry's press center, 30 offenses have been recorded by the criminal investigation department over the past 24 hours, 26 of which have been revealed.

The press center also reports that as a result of prompt investigatory measures carried out last night, Police Major General Temur Khachishvili, former deputy head of the Georgian Security Service, and Giga Gelashvili, chairman of the Georgian Rescue Corps, have been detained. They are charged with organizing an assault on the residence of a representative of the head of state in the Kvemo Kartli region in April this year.

Temur Jishkariani, head of the Rustavi branch of the Mkhedrioni, has also been detained for the illegal possession of weapons and ammunition. On similar charges, the head of the Marneuli branch of the Rescue Corps was detained on 1 September.

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Estonia

Vahi Concludes 'Very Successful' Visit to U.S.

LD0209092895 Tallinn Radio Tallinn Network in Estonian 0700 GMT 2 Sep 95

[FBIS Translated Excerpt] Prime Minister Tiit Vahi has completed his three-day official visit to the United States. He met yesterday with Strobe Talbott, U.S. deputy secretary of state, and the staff at the Baltic section of the Department of State. The prime minister also had a meeting with Walter Slocombe, under secretary of defense for policy, and Alexander Berger, President Bill Clinton's assistant security adviser.

According to Maarika Saarna-Siimann, the prime minister's press representative, at these meetings Estonian defense, foreign, and economic policies were discussed. Great attention was paid to Estonia's relations with Russia and the wish to resolve the border issue. A press release says that on all these issues the Estonian positions were met with understanding and support. The prime minister emphasized that in addition Estonia may also expect specific assistance from the United States, in the sphere of training, for example.

According to the prime minister, the White House understands the Estonian foreign and defense policies and Estonia can rely on comprehensive support from Washington. Tiit Vahi rated his working visit as having been very successful. [passage omitted]

Vahi News Conference on U.S. Visit

LD0309183595 Tallinn Radio Tallinn Network in Estonian 1700 GMT 3 Sep 95

[FBIS Translated Excerpt] Estonian Prime Minister Tiit Vahi returned from the United States today. He gave a news conference at the airport. Tanel Talve reports.

[Talve] Prime Minister Tiit Vahi said that the visit confirmed that Estonia can expect comprehensive assistance from the United States in security issues. He made this conclusion after meeting Walter Slocombe, U.S. undersecretary of defense. Here is Tiit Vahi.

[Begin Vahi recording] With Slocombe, we had the opportunity to discuss very many of Estonia's defense and security issues. I returned with the strong conviction that we continue to receive assistance for resolving security issues, and that the United States supports us and will give us its full support. [end recording]

[Talve] One step in security cooperation between the United States and Estonia is the opening of the FBI office, the Federal Bureau of Investigation, in Tallinn in the near future. Vahi said that the United States is prepared to give concrete assistance in training, offering places for Estonian students in several colleges.

Estonia's position in the border dispute with Russia is that, before concluding a border agreement, Russia has to recognize the 1920 Tartu Peace Treaty. According to the treaty, the area beyond the Narva River and Petserimaa, currently part of the Russian territory, belong to Estonia. Vahi said that meetings with high-ranking U.S. officials paid much attention to this issue.

[Begin Vahi recording] Estonia's interest, foreign policy interest, is to integrate into European structures. The European Union and also European and worldwide defense and security organizations are the ones we want to integrate into. At the same time, this is not a confrontation or the seeking of confrontation, we definitely wish to normalize our relations with our eastern neighbors.

I presented Estonia's positions: First, that, in principle, we see that the agreements on troop withdrawal and military pensioners must be ratified. Second, we wish to conclude border agreements. We wish to sort out the border with Russia, whereas we proceed from the Tartu Peace Treaty, but we do not demand the return of any territories. However, we would like to see some changes in the border to make it easier to guard. [end recording] [passage omitted]

Interior Minister on Talks With U.S. Ambassador

WS0509072295 Tallinn BNS in English 1500 GMT 1 Sep 95

[FBIS Transcribed Text] Tallinn, Sep 1, BNS — Estonia is interested in U.S. investments and the participation of American capital in its privatization process, Interior Minister Edgar Savisaar said at a meeting with U.S. Ambassador Lawrence Taylor on Friday [1 September].

Savisaar also told the ambassador Estonia attaches great importance to U.S. political support in its relations with Russia, the Interior Ministry press service told BNS.

Other subjects discussed at the meeting included security issues, Estonia's integration into European organizations, and the Baltic state's bid for NATO membership.

Taylor stated that American business circles have become more interested in Estonia over the last few years and voiced the hope that the companies interested in cooperation manage to find the expected openings for business.

Touching on his ministry's spheres of work, Savisaar said the police department, security police, border guard and rescue department were already working together with their counterparts in the United States. The minister admitted to big shortcomings in the work of the Estonian police in uncovering and investigating

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economic crimes. U.S. help with looking into money laundering, fraudulent bankruptcies and banking crimes would be welcome, he said.

In Taylor's opinion, the United States can offer Estonia assistance and training in these questions.

Defense Minister's Statement on NATO Expansion

LD0409153895 Tallinn Radio Tallinn Network in Estonian 1200 GMT 4 Sep 95

[FBIS Translated Excerpt] Estonian Defense Minister Andrus Oovel is of the view that the expansion of NATO must be a transparent process, which should not take place to the detriment of someone or as the result of a secret agreement, the Ministry of Defense told ETA [Estonian Telegraph Agency].

Oovel said that the security interests of the states to join should be guaranteed during the process of joining. Estonia cannot allow so-called grey zones to emerge, the statement from the Ministry of Defense said.

According to Oovel, Estonia's position is that the expansion of NATO should not stay a political declaration but there should be an action plan with a specific timescale which sets clear conditions in the political, economic, social, and defense spheres. The states wishing to join should define ways for complying to these conditions and agree on a monitoring process, Oovel noted.

Although NATO has not yet published the report on the conditions for expansion, it is expected that the states wishing to become full members will be required to build up the organization of the state proceeding from democratic principles, to follow the principles of market economy, to respect human rights and to guarantee adherence to them and their armed forces should be under civilian control.

Estonia's position is that the states that have expressed the wish to join NATO and comply with the above-mentioned criteria should be given an equal chance. [passage omitted]

Latvia

Canadian Foreign Minister To Discuss Cooperation

LD0409131995 Riga Radio Riga Network in Latvian 0900 GMT 4 Sep 95

[FBIS Translated Text] Canadian Foreign Minister Andre Ouellet, who has arrived in Riga, is today meeting the Latvian president, the head of government, and the foreign minister. During this visit, the two sides are discussing Canada's aid programs to Latvia, supervision of export and import, Canada's financial investment in Latvia, the issues of security and regional cooperation, including the enlargement of NATO, and cooperation between the two countries in the framework of the United Nations.

Holds News Conference With Birkavs

LD0409142295 Riga Radio Riga Network in Latvian 1300 GMT 4 Sep 95

[FBIS Translated Text] Canadian Foreign Minister Andre Ouellet is in Latvia on an official visit. A news conference was held today after the Canadian foreign minister's meeting with Latvian Foreign Minister Valdis Birkavs. The two ministers told the news conference what was discussed at the meeting.

[Begin Birkavs recording] Our dialogue is becoming more and more intensive. (?After the) visit it will enter a completely new phase. One of the reasons is the appointment of new ambassadors to our two countries.

We are very satisfied with Canada's aid program to Latvia. Our projects are in the following areas: language training and the cleanup of the environment at the former Russian bases. We have also submitted our proposals regarding our view on Canada's aid in the sphere of a draft agreement on the system of export and import supervision, training of customs officials and specialists in fighting drugs, aid to the immigration service, production of passports for non-citizens, and the creation of a system for their control [sentence as heard].

We are pleased that a legal basis has been created for the increase of Canadian investment — two agreements were signed during my visit to Canada. We also discussed our multilateral relations, the enlargement of NATO, and the United Nations, as well as ways of speeding up Latvia's admission to the World Energy Council. [end recording]

Supports EU Membership

LD0409143595 Riga Radio Riga Network in Latvian 1300 GMT 4 Sep 95

[FBIS Translated Text] Canadian Foreign Minister Andre Ouellet told a news conference in Riga today that he fully supports Latvia's desire to become a member of the European Union. He also expressed the hope that Latvia will manage to become a NATO member. The Canadian foreign minister also pointed out that in the present situation Latvia needs to cooperate effectively with the European Union and to create all the preconditions for becoming a full member.

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Agreements on Cooperation With India Signed

*WS0509071695 Tallinn BNS in English
1500 GMT 1 Sep 95*

[FBIS Transcribed Text] Riga, Sep 1, BNS — Latvian Foreign Minister Valdis Birkavs and Indian Foreign State Minister Salman Khursheed signed Friday four agreements on bilateral cooperation.

The ministers signed a declaration on principles and mainstreams of bilateral cooperation; an agreement on economic and technical cooperation; an agreement on cooperation in culture and education; and a protocol of consultations between both countries' foreign ministries.

Birkavs submitted for consideration to Indian officials a draft agreement on protection and promotion of mutual investments, a draft treaty on cooperation in navigation and a state investment program.

The Latvian-Indian economic cooperation would be enhanced by the setup of an Indian trade office in Riga and participation of Latvian businessmen in two major trade shows in India, said Birkavs.

Kursheed underscored the importance of bilateral cooperation in curbing terrorism.

The cooperation could mainly be implemented through contacts in international organizations and regular exchange of information, he noted.

Birkavs praised cooperation in the education sphere. In the future, Latvian students will have an opportunity to improve their knowledge in Indian educational establishments.

Speaking on future plans, the ministers underlined the importance of Latvian President Guntis Ulmanis' visit to India, scheduled for the beginning of the next year.

Birkavs Against 'Visa-Free Regime' With Russia

*WS0109125595 Tallinn BNS in English
1217 GMT 1 Sep 95*

[FBIS Transcribed Text] Riga, Aug 31, BNS — The Latvian Foreign Ministry does not plan to resolve issue of a visa-free regime introduction with Russia, Foreign Minister Valdis Birkavs said Thursday [31 August] at a press conference.

"We do not need a visa-free regime, but we need a civilized border-crossing regime," he said.

According to the Latvian-Russian Dec. 1994 accord, eased border crossing rules refer only to both states' residents living in the border zone.

Latvian Prime Minister Maris Gailis said Tursday at the parliament's plenary meeting that the government categorically rejects assertions on existence of such talks between Latvia and Russia.

"Such an assertion is absurd because in that case the government's talks on visa-free regime with the Nordic states would be fully destroyed, and problems would be cerated for the visa-free regime with Estonia and Lithuania," said Gailis.

Information about a soon introduction of a visa-free regime between Latvia and Russia, given by mass media, was Thursday rejected also in the Foreign Ministry's spread announcement.

The announcement says that Latvian officials have stressed that Russia's proposal to discuss introduction of a visa-free regime for separate categories of residents could be resolved only in connection with the illegal immigration problems. Russia expressed the proposal during the mutual consultations on Aug. 30.

Lithuania

Slezevicius Urges Expanded Cooperation With Ukraine

*LD0109195295 Moscow INTERFAX in English
1547 GMT 1 Sep 95*

[Report by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin; from the "Presidential Bulletin" feature]

[FBIS Transcribed Text] A Ukrainian delegation in Lithuania is discussing the possibility of expanding bilateral economic cooperation.

Dmytro Tabachnyk, the Ukrainian president's chief of staff who heads the delegation, told Interfax-Ukraine that Lithuanian Prime Minister Adolfas Slezevicius called for expanding cooperation in transport and energy.

Tabachnyk said that Lithuania is prepared to create most favorable conditions for Ukrainian factories and transport organizations to take part in joint use of the Klaipeda port where the Ukrainian delegation will go to on September 2.

Ukrainian businesses will also be able to contribute to the modernization of the Lithuanian road network. In particular, the Lvov Bus and the Southern Engineering Works will compete in an auction for supply of buses and trolley cars to Lithuania.

The program of modernizing the Lithuanian road system is estimated as $500 million and is financed by the European Bank for Reconstruction and Development.

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Slezevicius gave the Ukrainian negotiators documents on the monetary reform in his country and keeping the national currency stable. The monthly inflation has been kept below 1.5% in Lithuania.

Slezevicius told Ukrainian journalists that Lithuania regards Ukraine as its major partner and called for activating the joint inter-governmental commission.

The trade turnover between the two countries was about $165 million in 1994. The balance was $36.4 million in Lithuania's favor in 1994. In the first quarter of 1995 the trade between the two countries dropped, however. In that period Ukraine exported $16,5 million worth of goods to Lithuania and imported $9.8 million worth from there.

Minister Backs Ukraine Joining Council of Europe

LD0109180495 Moscow INTERFAX in English 1342 GMT 1 Sep 95

[Report by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] VILNIUS, Sep 1 (Interfax-Ukraine) — Lithuania supports Ukraine's intention to join the Council of Europe. "All formal conditions for adopting Ukraine to the Council of Europe have been fulfilled," Lithuanian Foreign Minister Povilas Gylys told Ukrainian reporters after his meeting with a Ukrainian official delegation in Vilnius today.

Gylys repeated that Lithuania had earlier urged the secretary general of the Parliamentary Assembly of the Council of Europe to speed the admission of Ukraine to this organization.

Gylys said that during his meeting with the Ukrainian delegation Vilnius and Kiev had also discussed their interaction within the scope of various international organizations.

Gylys said the positions of Lithuania and Ukraine regarding the assessment of international events had much in common.

The Ukrainian president's Chief of Staff Dmytro Tabachnyk said Lithuanian President Algirdas Brazauskas had invited Ukrainian President Leonid Kuchma to make an official visit to Vilnius "any suitable time."

Foreign Minister Discusses Baltic Meeting in Denmark

LD0109175595 Moscow INTERFAX in English 1342 GMT 1 Sep 95

[By diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] VILNIUS, Sept 1 (Interfax) — "Security in the Baltic Sea region is consolidating," Lithuanian Foreign Minister Povilas Gylys told a news conference in Vilnius Friday, commenting on results of a meeting between the Baltic and Scandinavian Foreign Ministers held on August 30 in Denmark.

In the words of Gylys, security is being consolidated with closer regional cooperation in the spheres of defense, economy, ecology and power engineering.

In response to an Interfax question, the Minister said that during the meeting in Denmark he reaffirmed the Lithuanian plans of soonest merging with NATO "to up fully-fledged membership in the alliance."

He said that a major factor of consolidated security of Lithuania and the Baltic region is further constructive cooperation with Russia.

Landsbergis on Russian Threats To Block NATO Entry

MM0409131695 Vilnius Radio Vilnius Network in Lithuanian 1100 GMT 4 Apr 95

[FBIS Translated Text] Russia will use all means available to prevent the Baltic states from getting into the NATO security zone, Vytautas Landsbergis, chairman of the Homeland Union-Lithuanian Conservatives, said at a news conference held today, giving his point of view on the statement to BNS made last weekend by Russian Deputy Foreign Minister Sergey Krylov.

According to Landsbergis, the Russian diplomat speaks as though he were the ruler of the world forbidding the West even to consider the possibilities for Lithuania, Latvia, and Estonia to become NATO members. The statement by the Russian deputy foreign minister is exceptional by the frankness of its content and style, Landsbergis writes in his statement.

According to Krylov's way of thinking, security and stability would bring about incidents. Estonia and Latvia are threatened not to go against the dangers posed by persons with undefined status of their citizenship, all the three Baltic states are threatened with economic, political, and military measures against them and at the same time it is demanded that their security should be linked with Russia.

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This is a challenge not only to the sovereignty of the Baltic states but also to the West; although, the West used to say earlier on that it would not concede to Russia's dictate. It seems that statements made of late by some Wester politicians or their inconsistence served as a signal to Russia to start a greater pressure, Vytautas Landsbergis said.

Luxembourg Foreign Minister Begins Official Visit

LD0309122795 Moscow ITAR-TASS World Service in Russian 1144 GMT 3 Sep 95

[By ITAR-TASS correspondent Vladas Burbulis]

[FBIS Translated Text] Vilnius, 3 Sep (ITAR-TASS) — The progress of bilateral relations, issues on the integration of Lithuania into the European Union, ties with NATO and other structures of the West, cooperation of the Baltic states, and also relations of Lithuania with the neighboring countries and, foremostly, with Russia will be discussed during the two-day official visit of Jacques Poos, deputy prime minister and foreign minister of Luxembourg which started today.

According to what the press and information department of the Ministry for Foreign Affairs of Lithuania said this evening that he will hold talks with Povilas Gylys, foreign minister of the country, and on 4 September will be received by President Algirdas Brazauskas, Prime Minister Adolfas Slezevicus, and meet members of the Committee for Foreign Affairs of the Seimas of Lithuania.

In the afternoon on 4 September, J. Poos and the delegation accompanying him will leave for Riga.

Meets President Brazauskas

LD0409150995 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 4 Sep 95

[FBIS Translated Excerpt] Lithuania will never agree to become a buffer state between the blocs of big countries, Lithuanian President Algirdas Brazauskas stressed in talks held today with Jacques Poos, deputy prime minister and minister of foreign affairs of Luxembourg. Our objective is to integrate into European structures as soon as possible. Only this will guarantee overall security for Lithuania, he stressed.

Jacques Poos is on an official visit in Lithuania. This is the first visit to Lithuania by a high-ranking official of that country. According to Poos, Lithuania deserves a place in the negotiations on integration in Europe. However, Lithuania will have to resolve a significant number of political and, especially, economic problems related to joining the European community, he said.

Luxembourg could also render some help here, he said, and invited a Lithuanian delegation to visit Luxembourg and to get acquainted with the work of banks there. [passage omitted]

The Lithuanian president and the Luxembourg minister of foreign affairs both took the view that elections in Russia should reinforce democratic achievement in that country, although they agreed that during the pre-election campaign it is possible that statements which could hardly be compatible with the principles of international democracy could be made by some political forces. It was stressed at the talks that reaction to such statements should be rather restrained. According to Poos — and this was also supported by Algirdas Brazauskas — relations with Russia should be developed in such a way as to complement the enhancement of Russia's democratic forces.

At the same time it was pointed out that including Russia in cooperation with European organizations should proceed in a way that is acceptable to them.

India Interested in Joint Ventures, Port of Klaipeda

WS0109125795 Tallinn BNS in English 1217 GMT 1 Sep 95

[FBIS Transcribed Text] Vilnius, September 1, BNS — India, searching for markets for its products, cannot imagine a better gateway into Western Europe than Lithuania, said Salman Khursheed, Indian foreign affairs minister.

India is especially interested in the port of Klaipeda and the international Zokniai cargo airport and free economic zone to be established near Siauliai. These regions are not only important for shipping goods to the West but as sites for establishing joint ventures, the Indian minister said at a press conference on Thursday [31 August]. Khursheed did not hide the fact that export quota restrictions on the Indian textile industry make it desirable for India to create joint ventures in Lithuania and from there attempt to penetrate new markets.

An agreement on economic cooperation between India and Lithuania which went into effect on June 15 of this year establishes the legal preconditions for such projects.

Khursheed and Povilas Gylys, Lithuanian foreign affairs minister, signed a bilateral protocol on consultations on Thursday.

Lithuanian president Algirdas Brazauskas and Prime minister Adolfas Slezevicius also received the Indian minister on Thursday and were invited to visit India. Brazauskas's visit is planned for December of this year

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or early next year, Slezevicius's — for the last week in September at the time of his trip to the Philippines and Vietnam.

Talks Held With UK Officials on Security Issues

LD0509102295 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 5 Sep 95

[FBIS Translated Text] Officials from the Lithuanian Foreign Ministry and the Foreign Office of Great Britain held consultations yesterday on security and defense policies, on the expansion of NATO, on the development of the Partnership for Peace program, on some aspects of the formation of a common European foreign and security policy, and on the possibility for associate members of the European Union to participate in setting up a common European policy. These issues were discussed by Albinas Januska, secretary of the Lithuanian Foreign Ministry, Alyson Bailes, head of the Security Policy Department at the UK Foreign Office, and other officials.

In addition, the development of the OSCE and of regional conferences on security and stability were also discussed. The participants in the discussion agreed that such conferences should be held on a permanent basis.

Similar consultations are to be held with representatives from NATO and European Union countries.

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